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# FINANCIAL TIMES

No. 25,521

Tuesday August 3 1971

\*\* 6p

Say  
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SWISS WATCH



## News Summary

### GENERAL

#### Falcon blasts off with song

The strains of the U.S. Air Force anthem, "Wild Blue Yonder," played over the radio as the Falcon rocketed into the night in its ferry ship on and an hour later were by the rocketing ship Endeavour.

Typical of the coolness with which the whole mission was conducted was the calm, one-to-one exchange with the Falcon, which appeared from radio "sight" in the back of the moon.

Mr. Scott said: "We monitored the Falcon and confirmed it was off." Said Scott: "It's good to know... the first time, the moon off was televised, from the era on the abandoned moon."

### ENGINE FLASH

Observers saw the flash of the Falcon rocket as it took off from the Falcon launch pad. The Falcon rocketed into the night in its ferry ship on and an hour later were by the rocketing ship Endeavour.

Typical of the coolness with which the whole mission was conducted was the calm, one-to-one exchange with the Falcon, which appeared from radio "sight" in the back of the moon.

Mr. Scott said: "We monitored the Falcon and confirmed it was off." Said Scott: "It's good to know... the first time, the moon off was televised, from the era on the abandoned moon."

### S. accepts line for UN

United States will vote for admission of China to the General Assembly this year, says of State William P. Rogers. But it will be any action to expel the PRC.

Meanwhile, Sir Alec Douglas-Home told MPs yesterday he did very much like to visit a at a time convenient to two countries. Page 8.

### re Rhodesia

D. Goodman may visit Rhodesia again in a new attempt to bridge the gap on the terms ending the five-year-old Union. The chances of a meeting between British Rhodesian Ministers over the few weeks are extremely slim. Page 8.

### dyguard for vies

For Trade and Industry John Davies, whose London was hit by a 24-hour curfew, is being sent. Ministers are being sent. Page 6.

### st £50,000 nd prize

A first £50,000 Premium prize was not at home in July. The prize will be notified by a plain envelope.

### efly...

Dean of Johannesburg, Rev. Gonville French, pleaded not guilty when charged with charges opened. 8.

### stives are guarding the

home of Oz trial judge in Argyle after a bomb attack. 8.

### l scenes were cut from the

of Andy Warhol's "The Last Supper" to avoid a police raid. The opinion was that it was amusing in places. 8.

### PRICE CHANGES

(in pence unless otherwise indicated)

**RISES**

Fidelity 47 + 12

Good 140 + 13

1 Bros. 82 + 5

(J) 140 + 11

Stewart 90 + 18

Combs 85 + 9

14 B. 89 + 3

155 + 21

### BUSINESS

#### Rail and steel aids for Wall St.

● **WALL STREET'S** index ended 6.49 up at 84.92.

● **LONDON EQUITIES** were depressed by small selling but buyers came in on the better U.S. labour news and Wall Street's rally. The FT index, fell to 395.4 but ended a net 4.3 down at 397.2.

● **THE £ fell 1/2c to \$2.41** on a stronger demand for Euro-dollar deposits. The dollar was firm also in Continental centres.

● **GOLD** lost 10c at \$42.45.

● **U.S. TREASURY BILL** rates fell. Three months rate was estimated at 5.29 per cent. (5.554), sixes at 5.64 (5.833).

● **WALL STREET**, battered by the rail and steel pay settlements, staged a rally which took the Dow Jones index up eight points though it closed a net 6.49 down.

### Major tasks

The major tasks confronting the Government in concentrating this activity on the Govan-Lithgow yards of U.C.S. are:

To discover fresh sources of private capital for the re-organised company; to replace the present "inadequate" management; and to negotiate the trade unions' co-operation in a situation in which the large-scale redundancies have caused deep anger and bitterness. The two Ministers to-day also hope to follow up earlier indications that some companies were interested in buying the Scotstoun and Clydebank yards.

### Avionics 400 lose jobs

● **400 SKILLED EMPLOYEES** of Elliott Flight Automation at Rochester, avionics subsidiary of General Electric, are to be dismissed in a few weeks' time. Delay in placing of contracts for the MRCA is believed to be one of the factors. Back Page

### THOUGH MOTOR OUTPUT

in June was the biggest for a year and, at 175,735 cars and commercial vehicles, 20,000 more than in May. The weekly average was some 35,000 against May's 38,000. The June car total for the home market was 100,443 against May's 88,407. Back Page

### NEW-CAR BP AND CREDIT

sales in July were fractionally above June's and 5 per cent. up on July, 1970. But personal loan sales are not included. Back Page

## It's good news for the RB-211

# One vote saves the Lockheed TriStar

BY GUY DE JONQUIERES

WASHINGTON, August 2.

The Lockheed Aircraft Corporation was saved from the threat of bankruptcy to-day when the U.S. Senate approved by a margin of one vote legislation to provide the company with a \$250m. loan guarantee. The legislation, whose outcome had been in doubt right up to the last minute, was passed by 49 votes to 48.

The Senate's decision unlocks the door to the additional financing which Lockheed says it needs to continue its L-1011 TriStar programme and without which both Lockheed executives and the Administration have said that it would have been forced into receivership.

Approval of the guarantee is a considerable victory for the Administration and is extremely welcome news for the British Government, which has been financing on an interim basis the development of the Rolls-Royce RB-211 engine which is now contracted to the TriStar. The Rolls-Royce contract contains a clause providing for the abrogation of Britain's responsibilities if Congress did not act by August 8.

The Bill passed by the Senate is identical to one approved by the House of Representatives on Friday. There will be no need for a joint House-Senate conference.

Mr. Walter Johnson, Labour MP for Derby, South, said last night that the loan has gone through Congress and that the jobs at Rolls-Royce are secure at least for some months to come. The last six months have been one long nightmare with

the prospects changing daily. The 15,000 RB-211 workers in Derby alone will sleep more easily, although it is still necessary to get additional firm orders for TriStar to safeguard the future.

"We must never be in the position again where we have to rely on another country controlling the destiny of thousands of British workers—even a friendly country like the U.S.," Ray Daffier writes. The Senate decision will come as a relief also to the hundreds of suppliers and sub-contractors in Britain and abroad and the unsecured creditors of the old Rolls-Royce company which collapsed in February.

### U.K. relief

John Bourne, Lobby Editor, writes: The news of the one-vote majority in Congress came as an immense relief to the British Government, which is now certain to give the go-ahead to the RB-211 engine once the necessary contract formalities have been completed.

If the vote had gone the other way the Cabinet would have been confronted with the prospect of the collapse of Lockheed, and therefore of the engine, and the redundancy of up to 21,000 Rolls-Royce workers. Several thousands of these would have been in the Rolls-Royce Glasgow plant, adding to the political, economic and social problems already facing the Government as a result of the Upper Clyde Shipbuilders' affair.

Mr. Walter Johnson, Labour MP for Derby, South, said last night that the loan has gone through Congress and that the jobs at Rolls-Royce are secure at least for some months to come. The last six months have been one long nightmare with

when the Government promised to review the project in the light of the American legislature's decision on Lockheed.

It is anticipated that about £100m. has still to be injected by the Government—money which will be used for further development work and to meet the £30m. net loss on production of the first 555 engines after allowing for the higher price per engine Lockheed is paying.

The price that Lockheed has agreed to pay for the engine is \$2.99m. for a "ship set" of three engines for each aircraft. This is \$548,776 more than the original contract price for three engines.

In spite of the considerable doubts surrounding the whole TriStar and RB-211 projects in the past six months, development work at the Derby works of Rolls-Royce (1971), as well as company factories near Glasgow, has proceeded virtually normally.

### Deliveries

About 20 engines have been delivered to Lockheed, Rolls-Royce (1971) said yesterday that by the end of the year, assuming favourable conditions, some 60 engines will have been built.

As anticipated, work on production engines is now being phased into the programme. The first of these will go into the TriStars which are due to be introduced into service by Eastern and TWA next April.

Some 6,500 hours of testing time for the engines has been amassed, of which about 1,100 hours have been in the air.

These unsecured creditors have been told they might receive 10c in the pound provided the RB-211 contract goes through. If Lockheed and the engine contracts had collapsed, the amount would have been greatly reduced.

The likely go-ahead for the engine programme means that the jobs of 12,000 to 18,000 Rolls-Royce workers and several thousand outside jobs which were in the balance have been assured. About 10,000 of the 73,000 labour force engaged in the turbine engine business of the old Rolls-Royce company have already been made redundant.

Mr. Benn estimated that the Government, instead of giving the RB-211 the £5m. it needed in June this year, was now embarking on a plan that could cost £22m. £40m.

About 15,000 people could become redundant, Clydebank was becoming a ghost town, and £40m. gross trade would be taken out of the Scottish economy.

"We think that the Government's policy is a massive betrayal of the men working in U.C.S.—it makes no industrial sense and no economic sense," said Mr. Benn. The men on the Clyde had decided to fight instead of being put on the "scrap heap," he said. "The men are not striking, they are working and I support 100 per cent their decision to work in the yards in protest against the action the Government is taking."

It is an historic event; the men have rediscovered the self-respect they never had under private management. They have shown the way to responsibility in industry by showing responsibility in industry.

The Government, he suggested, should give U.C.S. half the money it was giving the liquidator and let management and workers prepare a joint development programme.

# Davies flies to Clyde to-day

BY PHILIP RAWSTORNE

MR. JOHN DAVIES, Secretary for Industry, and Mr. Gordon Campbell, Secretary for Scotland, are to fly to Glasgow to-day to discuss the prospects for the Government's controversial plan to reorganise Upper Clyde Shipbuilders.

The visit was hastily arranged yesterday when Mr. Davies, after his week-end talks at Chequers, took up an open invitation extended several weeks ago by the Lord Provost of Glasgow, Sir Donald Liddle.

Final details of the talks are not expected to be settled until this morning, but Mr. Davies said the Commons during yesterday's emergency debate that he would talk to "anybody who reasonably and sensibly wishes to see shipbuilding pursued on the Clyde."

### Major tasks

The major tasks confronting the Government in concentrating this activity on the Govan-Lithgow yards of U.C.S. are:

To discover fresh sources of private capital for the re-organised company; to replace the present "inadequate" management; and to negotiate the trade unions' co-operation in a situation in which the large-scale redundancies have caused deep anger and bitterness. The two Ministers to-day also hope to follow up earlier indications that some companies were interested in buying the Scotstoun and Clydebank yards.

Mr. Davies told MPs yesterday: "The real need is to try now to do what we can effectively to get out of this dreadful disaster." The Government's plan was "sensible and practical," he said. "We would be wise to get it implemented."

Mr. Davies—whose expressions of sympathy for the redundancies were greeted yesterday by Labour tears—said he understood and sympathised with the men who had taken over the U.C.S. yards. But he added: "I am sure that they are making a very fatal mistake and doing things which will lead, in the end, to their own great disadvantage."

He attacked Mr. Wedgwood Benn, the Labour spokesman, for inciting the take-over—and went on to accuse him of being the "evil genius" responsible for the U.C.S. disaster by his encouragement of the "ill-fated venture" as Minister of Technology.

But Mr. Benn responded by challenging the Government to set up a Select Committee to examine the U.C.S. events which, he claimed, the Government had deliberately set out to "butcher" the operation.

### Bank lending remains sluggish

BY MICHAEL BLANDEN

AN IMPROVEMENT in confidence among industrial customers following the Chancellor's mini-Budget relaxations is reported by bank branches around the country.

So far, however, demand for bank lending has remained relatively sluggish, and in the past month the banks have taken advantage of their considerable scope within the present lending ceilings to undertake a substantial switch within their liquid assets to more profitable outlets.

Lending to the private sector appears to have remained roughly stable in the five-week period to July 21, after the rise reported in the previous month. There is some doubt among the banks about the validity of the seasonal adjustments applied to the lending figures at this time of the year, and it is therefore difficult to identify the true movement in lending.

Nevertheless, it is felt that the figures for the last two months suggest at least that the trend of advances has stabilised after the decline in borrowing in the year. With the personal sector still on a rising trend, it is thought that demand for advances could pick up considerably later in the year.

Net advances by the clearing banks showed an increase of £270m. to £5,885.8m. during the period. Of the increase, £103.1m. was accounted for by the nationalised industries, bringing them to a figure much in line with the normal level at this time of the year. That left a rise of £167.1m. in lending to other customers, very close to the expected seasonal pattern at a time when

beside Mr. Davies on the Government front bench, after missing the second Admiralty's offer, still attracted the anger of Mr. William Ross. The Government played "ducks and drakes" with the Scottish economy," said Mr. Ross. "Lame ducks and week-end drakes."

Labour MPs frequently interrupted Mr. Davies but reserved most of their anger and derision for Mr. Campbell, who was called on by the Government to call on the Scots to face up to their adversity. The Tories listened in almost complete silence to Mr. Benn's charges—apart from a stormy protest when he accused the group of experts on U.C.S. of producing a "politically motivated" report that was "inaccurate and misleading."

Mr. Benn said the Government's withholding of credits from U.C.S. last winter would have made U.C.S. bankrupt on February 4—but that was the day that the Rolls-Royce crash occurred.

The Government had followed

half-yearly charges are being debited to accounts.

There was, however, a sharp increase in bank holdings of commercial bills and refinancing credits. These jumped by £119.7m. to £1,025.4m., an increase which was almost entirely accounted for by two banks, Barclays and National Westminster. The rise, however, was matched by a reduction in the amount of money lent on call by the banks by £117.3m.—more than accounted for by a drop of £130.5m. in calls loans to the discount market.

This switch has the technical effect of raising the banks' lending under the ceiling; most of the bills and credits fall into the restricted private sector, with the

### Deposits

result that lending to the private sector, after seasonal adjustment, is reckoned to have risen by some 2 per cent.

This easily reversible move would bring the banks to a level of 107 per cent. of the base rate lending level of March, 1970. Under the present ceilings—to be replaced soon by the new method of liquidity control—the banks are allowed to go to 110 per cent. of March, 1970, by mid-September.

The other feature of the bank figures is an apparent revival of the substantial increases in deposits. Net deposits rose by £284.9m. more than would have been expected on seasonal grounds, and it is thought that the money supply may have been swollen by some inflow from abroad.

After increasing their investment portfolios by £39.9m., the banks showed a slightly reduced liquidity level at 32 per cent., though this is still high by usual standards.

Table Page 8

**THE £ ABROAD**

Aug. 2

Close

Prev.

New York Spot \$2.4175-4176 \$2.4125-4126

1 month 0.04-0.04 0.04-0.04

3 months 0.04-0.04 0.04-0.04

6 months 0.04-0.04 0.04-0.04

12 months 0.04-0.04 0.04-0.04

For latest share index phone (01)-246 9026

## Two directors resign as...

# Cunard Board accepts higher Trafalgar bid

BY SANDY McLAHLAN

TRAFALGAR House Investments has added £13m. to the value of its Cunard offer, and has won acceptance of the majority of the Cunard Board. But Mr. Maxwell Joseph and Mr. Donald Forrester, openly opposed to the previous Trafalgar terms, voted against acceptance of the new offer at a Cunard Board meeting yesterday afternoon.

In response to further information from the Cunard chairman, Sir Basil Smith, Trafalgar House decided to add 10p a share in cash to its basic share and loan stock offer bringing it up to almost 210p a share. This values the Cunard equity at £27.5m., and in addition Trafalgar is going ahead with its £2m. offer for the two classes of Cunard Preference capital.

### "Not enough"

Asked last night whether he would continue his opposition to the Trafalgar offer from outside the Boardroom, Mr. Joseph said: "I don't know. I will be joining Mr. Forrester during the next 48 hours to discuss the situation." Mr. Joseph said that he and Mr. Forrester voted against the revised offer because they felt it was still not high enough.

Mr. Forrester, who had rejoined the Cunard Board less than two weeks ago at the request of other Cunard directors, said yesterday: "I am prepared to battle on against this bid."

However, Mr. Forrester made it clear that he was acting as a private shareholder, and that small shareholders should not necessarily follow his lead. He added that in spite of the recommendation of the bid by the chairman he was confident that he could still rally between 30

per cent. and 40 per cent. of the votes against the bid, but said that he had not yet made up his mind whether to try and muster small shareholders in opposition.

### 35% stake

In spite of Mr. Forrester's confidence, the recommendation of the bid by the Board and its advisers, S. G. Warburg, must virtually seal the issue in Trafalgar's favour. Market buying has raised Trafalgar's stake in Cunard to around 35 per cent., and shares in friendly hands bring this figure to around 38 per cent. Mr. Joseph and Mr. Forrester probably control some 5 per cent. of the equity between them.

Mr. Victor Matthews, Trafalgar's managing director, yesterday described the agreed bid as "a very satisfactory solution." He added: "I am quite certain that the majority of small shareholders will accept Sir Basil's advice."

Asked why the offer had been raised again, he commented: "Sir Basil brought to our attention certain assets which are certainly worth a further 10p a share in us." It is believed that one of these assets was a higher level of free depreciation than Trafalgar had previously estimated.

In addition to raising its basic offer, Trafalgar is increasing the alternative all-share offer from 195 Trafalgar shares for every 100 Cunard shares to 225 shares for every 100. The Trafalgar shares to be issued in respect of the offer do not qualify for the forthcoming scrip issue, so that with Trafalgar at 117½ last night the all-share offer is worth almost exactly 200p a share. Cunard shares closed unchanged yesterday at 196p.

## ON OTHER PAGES

### QUARRYING

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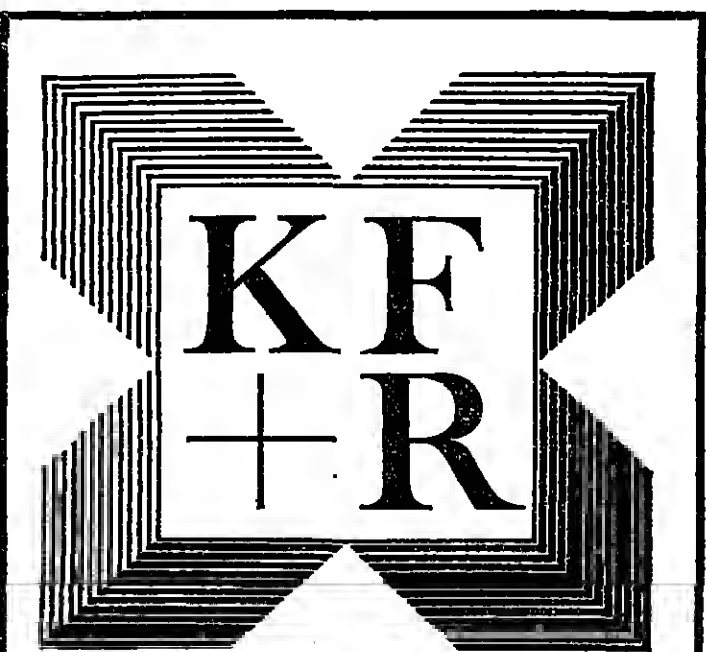
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Radio 3

## The Tsar's Bride

by ANDREW PORTER

All the severe things that have been said about Rimsky-Korsakov are possibly true. The man manufactured one long opera after another in quick succession, though he was "not a true dramatic composer at all" (Gerald Abraham), "not essentially an opera composer at all" (Wilfrid Mellers). And yet, and yet... I am not the only person I know who listens enthralled to these long operas, not just captivated by the mastery of instrumentation, the freedom of flow and facility (what Mellers calls "alek faty") of Rimsky's music, but also finding in it again and again, that "heart" which his critics will not allow him to have.

In Russia many of his operas (including *The Tsar's Bride*) remain constantly in the repertoire. In Italy, performances turn up quite often. Here, since the war, we have had an occasional *Snow Maiden* at Sadler's Wells, an occasional *Golden Zerkow* at Covent Garden, but "never" have had to look to the gramophone and to the BBC. *The Tsar's Bride*, broadcast on Monday afternoon, was welcome. It was not just a composer of magic fairytales. *The Tsar's Bride* is the second of his three operas based on plays by L. A. Mey. The action is set two years after that of *The Maid of Pskov*, in 1572, one character turns up in both operas. *The Tsar's Bride*, though it is not the earlier piece, now a theory: so, in a sense, does *The Tsar's Bride* have to do with the earlier piece, though it is not a love-story, but merely passed across the stage on horseback, observing the beautiful Martha with burning eyes. Martha, betrothed to Ivan, the tenor, and desired by Bryasnoy, the baritone, is those at the end of Act 3 to be the Tsar's bride, but this is not the main matter of the action. Bryasnoy plans to win Martha's love by means of a love-poison, and his jealous mistress Lyubasha substitutes, for that poison, a subtle poison.

The famous scenes, familiar to record-collectors, are Martha's recollections of her happy childhood with Ivan (which Ernest Lewman once described as "one of the purest and profoundest expressions of purely melodic ecstasy in the whole of music"), and her mad scene. Abraham peaks rightly of "pure musical beauty." Marie Hayward, the BC's heroine, was not exactly

a Nezhdanova, but her singing, especially in the mad scene, was clear, full, and shapely of line. Delma, too, and shapely of line. Delma, too, and shapely of line. Delma, too, and shapely of line.

The powerful dramatic music, apart from the aria at the start and his confession at the close, belongs to Lyubasha; and of this role Patricia Kern gave a thrilling, passionate performance. First, she has a song quite unaccompanied, a long melancholy piece, rising to a climax which Miss Kern delivered with glowing intensity. In tones to suggest that, if Miss Veasey and Miss Baker were both ill, we should still have someone well able to sing Dido in *The Trojans*.

The duet with Grysney which closes the act, and includes a long solo outburst for Lyubasha, was equally thrilling. When it was done I seized the telephone, to make sure that friends were missing the splendour of Miss Kern's performance. Act 2 Lyubasha has another splendid scene, a conversation with the pharmacist who for his poison demands a shameful price that she agrees to pay only when she hears her rival's happy laughter ringing out. Lyubasha is not as great and profound a role as Martha in *Khoosnash-china*, but she has something of the same passion and intensity about her. How could Mr. Abraham dismiss most of the music of *The Tsar's Bride* as insipid?

A strong cast further included Gregory Dempsey, Georgette Psaros and Don Garrard. It was a recording of a "live" performance, given before an invited audience in the Camden Theatre; and a "live" performance indeed as conducted by David Lloyd-Jones, with some beautiful playing from the BBC Concert Orchestra. Special praise to the studio engineers—whose excellence we tend to take for granted—for an unusually beautiful, spacious and well-balanced recording. Can we hope for *Servila* one day? More performances like this, and all the text-book assessments of Rimsky-Korsakov will need revision. He was no Mussorgsky, and no Chaikovsky—but why blame him for that when he was so captivately and so copiously himself?

Pavillon de Flore, Paris

## Francois Boucher

by DENYSSUTTON, Editor of Apollo

One of the most interesting trends in the history of art is the revaluation of the eighteenth century which will be further stimulated when the major Council of Europe exhibition devoted to Neo-Classicism opens in London next year. On the one hand, the period is that of various artists and architects, too, are not as well known as they should be. In this respect the Italian School in some ways holds the centre of the stage and the show held earlier this year in the U.S. revealed the quality of many little-known artists.

Although we like to think that the main stars of the French School at this time are understood in depth, there is room for various revaluations. It is only relatively recently, in fact, that the significance of French sculpture has been grasped and some critics even consider that its contribution was more important than the rest of the painters.

Surprisingly, too, one of the major painters of the period, Francois Boucher (1703-70) requires to be studied afresh. It is now many years since an exhibition of his work was held. The authorities of the Louvre have done something to repair this omission by staging two exhibitions at the Pavillon de Flore which are drawn from their own resources. One consists of the large group of prints in the Edmond de Rothschild Collection to which some drawings from the Cabinet des Dessins have been added; the other comprises the 27 paintings by this Master in the Louvre.

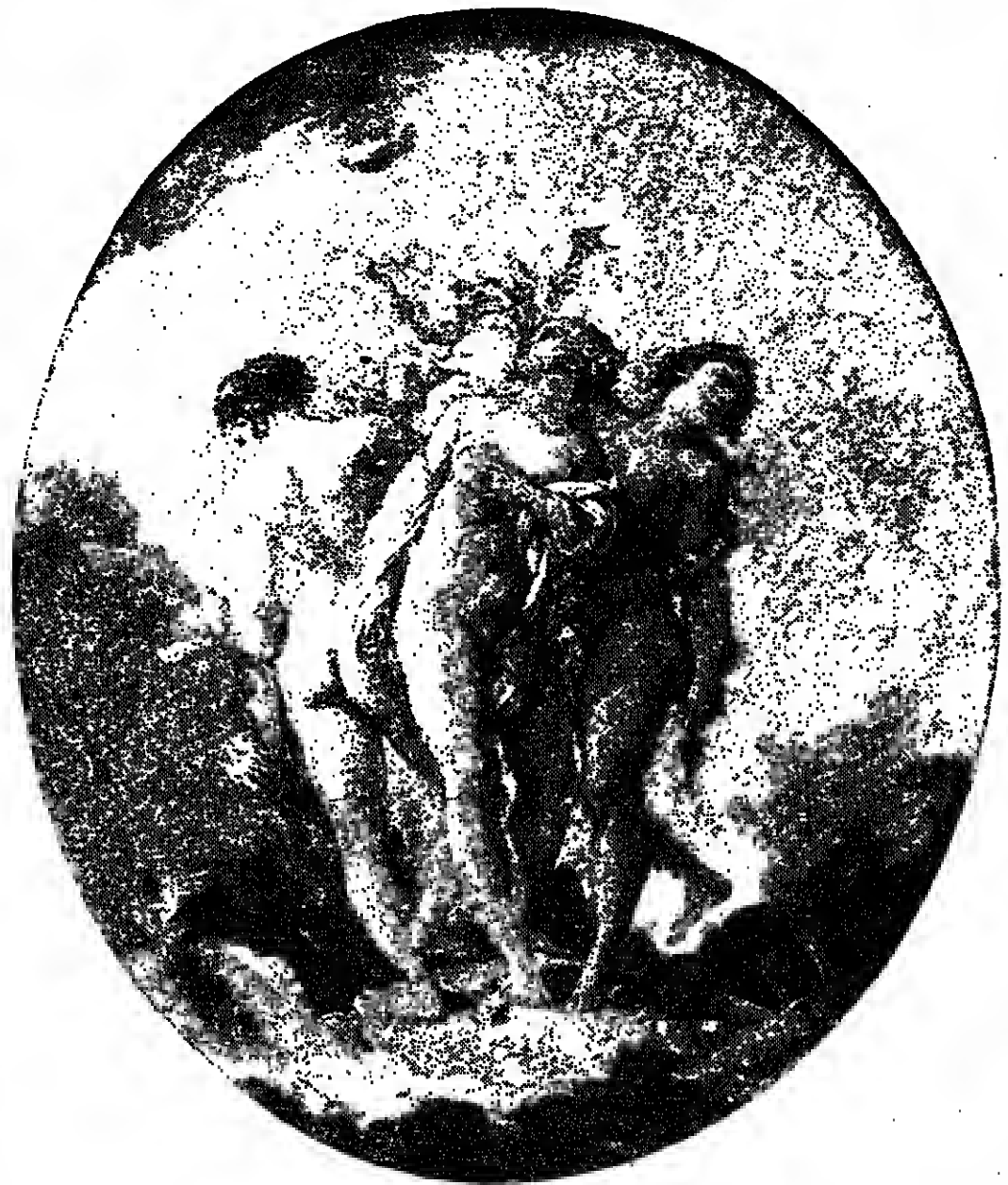
Although not every aspect of Boucher's protean activity is represented—his stage and ballet designs are absent—both shows pay agreeable homage to his genius. It goes without saying that this Master had the knack of finding a pleasing subject with an immediate appeal—so beautiful women, who so appealed to Renoir, faithful Chinoiserie subjects and refined and imaginative landscapes. But the exhibitions also stress that Boucher was an impressive designer, a brilliant and enchanting colourist and an observer of the contemporary scene.

In some ways Boucher has been the victim of his own subject matter. His very position as the painter who, as the Conrorts said, signified the taste of his time, has meant that some writers feel he was a casual artist. The opposite is true. Like so many painters of this age of splendid craftsmanship, he was more versed in the art of his predecessors than is often realised. Since the researches of the late Hermann Voss it has become clear that he was indebted to the Dutch 17th-century painter, Blommestein, one of his etchings a group of his artist's studies is in view. Yet there are gaps in our knowledge about his development—for instance, the results of his years in Rome. He had won a Prix de Rome when 20 but only went there in 1727, returning home in 1729. There seems to be little doubt that he owed something to Tiepolo but a close analysis of his work might establish connections with other artists. It has always to be remembered that Italian art played a decisive role in

France during the eighteenth century—Rosalba Carriera and Pellegri worked in Paris and Fragonard was deeply influenced by Solimena and Castiglione and drew many copies after Italian masters. Nevertheless, as far as concerns decorative painting, a respectable tradition existed in France which included Simon Vouet and J. F. Lemoyne, under

ment d'Europe which was shown in the Salon of 1747 and acquired by Louis XV. It is a characteristic composition in which the elegance of the poses is complemented by the refinement of the colours. His skill as a designer and his ability to convey a lyrical life in his big works may be seen in the two marvellous paintings in the Wal-

Beucher was a painter of ravishing and gently toned landscapes "mesquines plus qu'admirables" as Théophile Gautier called them. In these pictures he succeeded, as did Bonnard, in recalling his experiences in front of Nature and turning them into dreamlike visions. They herald romanticism in a surprising way. He could



Les trois Grâces

whom Boucher worked as a young man. Unlike the Italian, however, Boucher did not have the opportunity to work on a grand scale in palaces or churches. All the same he did paint on a relatively large scale and executed many designs for tapestries. Since the Middle Ages, tapestries have been a substitute for mural painting in France. He must certainly be counted as one of the leading decorators of the age and his paintings are controlled by intelligence; he was an excellent planner. His skill in placing delicate nudes on banks of clouds that have the voluptuous swell of waves is seen, for instance, in *Rénaud et Armide* which was his *meur de réception* at the Académie in 1734. Boucher was to continue to paint pictures of this type over the years. One of the most beautiful of these is *L'Enlèvement*

also paint naturalistic scenes: one of the most unexpected pictures on view is *La Forêt*, 1740 in which a hint of Salvator Rosa may be noticed in the figures; this exploration of the secrets of Nature looks ahead to the world of Barbizon. One of the most impressive aspects of Boucher's art that emerges from this exhibition is his talent as a colourist which was acknowledged by Van Gogh. His mastery of hue is especially pleasing and his flesh tones are remarkable. His painting of flesh is shown at its finest in the cool and youthful *Diane sortant du Bain* of 1742. There is never anything glacial or contrived about such work; his lucid handling of paint and light and the play of colour in his figures; this exploration of the secrets of Nature looks ahead to the world of Barbizon.

## King's Lynn Festival

King's Lynn celebrates its 21st festival this year. It has a good deal to celebrate. With Lady Fennoy as resident god-mother, Lynn has successfully become the rarest kind of festival: one that maintains high standards but also aims to serve the locality rather than flogging visitors in search of castles (Edinburgh) or composers (Cheltenham and Aldeburgh).

Lynn itself is a pretty Georgian quayside market town, an expanding town but now with a population of only just over 30,000. Remarkable then that the concerts in St. Nicholas Chapel should regularly collect 1,000 local fenners. If only Cheltenham—more than double the size and with more thickly populated catchment in the county around—could attract the same proportion.

Lynn is far from the festival that reckons music to be the only fare required for at least 100,000. The other events included *The World's n Stage* from the Prospect Theatre Company, and a double bill of *Morgan* (Morgan, a double bill of *Morgan* and *Stowport* (Stowport, a double bill of *Morgan* and *Stowport*).

This year's musical fare was deprived of one of its finest finds by the death of Sir John Barbirolli. (His successor, James Loughran, conducted the Bartok, Wagner, Chabikovsky concert by the Halle, which usually performs the opening orchestral concert of the festival.) Under the end of the week were both by the festival's shining principal musician, Raymond Leppard, with the English Chamber Orchestra. Friday night's concert, featuring *Leopold* and *Stowport* (Stowport, a double bill of *Morgan* and *Stowport*).

scoring is for small orchestra whose oboe and clarinet echo the voice touchingly, while the strings tend to imaginative effects like those of Ariadne pacing the shore. At first hearing, I thought the work was disappointing; abruptly, without the definite climax that—at least in an idiom sprinkled with Miss Macconchy's shades of late romantic language—is used by the appearance of Bacchus and his immortal company.

Lenno Berkeley's *Dialogue for Cello Solo* and Chamber Orchestra was less exciting. It seems patrolling to say so, but rather than one of Berkeley's best, this is a cool piece, under the title "The Splendours of Venice" Leppard gathers together a collection of Cavalli, Monteverdi and G. Gabrieli which naturally uses a good deal of brass. The Monteverdi pieces, *Leopold* and *Stowport* (Stowport, a double bill of *Morgan* and *Stowport*).

Saturday afternoon's concert featured Raymond Leppard's *Excavations* for Cello Solo and Chamber Orchestra. The programme here was identical (but for one different piece and changed order) to last December's at Southwark. Leppard's *Excavations* is a collection of Cavalli, Monteverdi and G. Gabrieli which naturally uses a good deal of brass. The Monteverdi pieces, *Leopold* and *Stowport* (Stowport, a double bill of *Morgan* and *Stowport*).

GILLIAN WIDDICOMBE

## Edinburgh Film Festival

Edinburgh film festival starts its twenty-fifth year a week ahead of the music and drama festival. This year Edinburgh plans a tribute to Bernardo Bertolucci, the young Italian director whose first major film to reach this country, *Before the Revolution*, was completed when he was 23 years of age.

Among the new full-length feature films already confirmed is *Private Rosa*, the second film by Barney Platts-Mills, maker of *Edinburgh* last year. Peter Watkins' new film *Penetration*

Park may arouse some controversial comment. It is his view of America, made in the quasi-documentary style that distinguishes Watkins' films, with non-professional actors acting on the basis of their experience.

This year's retrospective programme on the films of Norman McLaren, Scottish-Canadian pioneer of animation by direct-drawing on film and on Leacock-Pennebaker, chief exponents of cinema vérité. As a prelude to his major exhibition at the Tate Gallery in the autumn, Eduardo Galiano will be presenting a programme of his films.

## ENTERTAINMENT GUIDE

## OPERA AND BALLET

COVER GARDEN, ROYAL BALLET. LAST WEEK OF SEASON. Tonight 7.30 Swan Lake with Maudslayi. Tomorrow 8.0 Swan Lake. Wednesday 7.30 Swan Lake. Thursday 7.30 Swan Lake. Friday 7.30 Swan Lake. Saturday 7.30 Swan Lake. Sunday 7.30 Swan Lake.

## THEATRES

GLOBE, 437 1892. Fri. 7.30. Mat. Sat. 3.0. ALAN BATES in 'KEAN'. A Comedy by Jean Paul Sartre. Wednesday 7.30. Thursday 7.30. Friday 7.30. Saturday 7.30. Sunday 7.30.

## THEATRES

VAUDEVILLE, 438 9984. Fri. 8. Mat. MOIRA LISTER, TONY BRITTON, LANA MORRIS. 'CICELY COURTNEY'. Wednesday 7.30. Thursday 7.30. Friday 7.30. Saturday 7.30. Sunday 7.30.

V &amp; A

## Philomusica by RONALD CRICHTON

The Philomusica of London ended their present season at the Victoria and Albert on Sunday (alas, at only their last but the last concert in the Cartoon Gallery) with an 80th birthday concert for Sir Arthur Bliss.

The new piece is suitably stuffed of jokes, allusions, quotations. Too full, at times, for there were moments when Mr. Howarth's own invention became so engaging that one regretted his breaking off for more slapstick. As well as the Philomusica strings there were four soloists—trumpet, horn, piano and cello.

Then came Rory Gallagher who is a hero if ever there was one. When Gallagher led Taste the rows in the group made more impact than the music. Now he is on his own, with a more docile bassist and drummer, and seems much more relaxed. He is a master at casual guitar virtuosity, leaning back and flicking notes with the speed and ease of John Wayne despatching Indians. He also sings with more character—his voice has a rough hite which makes him sound like the proverbial black Irishman. He got the crowd to its feet after his hour long set, which must have gratified him—and his record company which has sunk a fortune into backing him.

A long time after Gallagher came Yes who, for some unfathomable reason, have a large and fanatical following; most of them at the party. They are a lean five man group who belt out protruded skanking electric rock which was all the rage a couple of years ago. It was technically proficient but after an hour this type of soulless waiting only gives progressive music a bad name. It was a genuine relief to turn to chunky, cheerful Elton John bringing down the showers and the curtain with his own attractive brand of musical bomb.

ANTHONY THORNCROFT

best of all birthday tributes would be a performance of *Music for strings* (there is still time—just) as good as the work of the Philomusica. Its strong rhythmic and athletic lines cry out for virtuoso playing. Sunday's David Littaur conducting, was honourable but not more. It is not enough for those big, spread chords in the first movement to sound well; they always do. One wants to hear the brilliant scale passages that surround them played really, not almost.

The other movements, especially the middle one with its hither-sweet harmony (very English), went better. Mr. Littaur appropriately set *Music for strings* between two earlier English masterworks for the same medium, the introduction and *nirolo* of Elgar and the *Tallis fantasia* of Vaughan Williams. So the Cartoon Gallery was left echoing with bitter-sweet thoughts, sad ones that we shall

not hear music there again, happy ones that many glorious sounds were made on this occasion, warm wishes to Bliss, newest and liveliest musical octogenarian.

## Ballet Rambert's autumn season

This year Ballet Rambert's autumn season at the Jeannette Cochrane Theatre opens earlier than usual, on Thursday, September 16. During the three and a half weeks, ending Saturday, October 9, the company is to present seven different programmes and the repertoire of 13 ballets will include two new works, both as yet untitled, by Glen Tetley and Norman Macdonald.

The programme for the first night includes the world premiere of the new ballet by the American choreographer, Glen Tetley.



A scene from Andy Warhol's "Perk" which opened last night at The Round House

## Crystal Palace

## Rory Gallagher

It was clever of the organisers to describe Saturday's concert at Crystal Palace as a garden party. The setting was picturesque, with the performers playing away in a cosy hovel separated from the audience by 50 feet of grass. There was plenty of grass to sit on and time to stare down the long rows between acts, were even some showers like at a real garden party. The fact that there were 10,000 people sprawled around to listen to music seemed incidental: it was just as well.

For the open air is fine for anything but not for appreciating pop music. And to make matters more difficult the Press lounge was so tucked away that the distortion of sound sometimes reached epic proportions.

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ANTHONY THORNCROFT



Farming  
and Raw  
MaterialsNew rise in  
beef prices  
forecast

A THREAT that English beef may soon be scarce and rise in price further came yesterday from official figures of cattle slaughterings which show a sharp drop on last year.

Ministry of Agriculture statistics show that the three weeks to July 17, 1969,000 beef steers and heifers were slaughtered in the U.K., compared with 156,000 last year—a drop of more than 12 per cent.

Butchers see this as a sign that supplies are decreasing rapidly. "Supplies normally tend to rise about this time of the year," said a spokesman for the National Federation of Meat Traders' Associations. "It seems a reversal of the usual pattern."

"At the moment it has not had a marked effect because, with the warm weather, demand for beef is not high. But if it continues, it must inevitably mean a rise in prices."

There was little likelihood of getting extra beef from the Argentine, he said. The best hope of holding down prices and meeting demand was a step-up in supplies from Ireland.

Irish shipments of beef to the U.K. in the first four months of this year rose significantly and producers are fearing themselves to sell more Irish beef in Britain.

The statistics show home-killed lamb and pork supplies are slightly up, while pigs slaughtered for bacon are up by about one-fifth.

Sharp rise in  
Indonesian  
clove prices

DIJAKARTA, August 2. INDONESIAN clove prices have risen by more than 100 rupiahs per kilo in the past few days on fears of a lower harvest this year, dealers said here.

Prices for top quality local cloves are now being quoted at 1,500 rupiahs per kg as against 1,300 in mid-July.

An Antara News Agency report from Manado, North Celebes, at the week-end said clove prices there had risen from 1,350 to 1,450 rupiahs per kg in the past week. Antara said clove production in the region had dropped by a quarter this season.

A spokesman for the Zanzibar company said the rise was due to increased demand and doubts about forthcoming crops.

Copper market steady on  
latest strike news

BY JOHN EDWARDS

THE SETTLEMENT of the U.S. steelworkers' new contracts, meaning a strike has been avoided, gave a firm underpinning to the London Metal Exchange markets yesterday. Although copper prices ended the day close to Friday's closing levels, values had previously been expected to fall in line with the downturn in the New York copper market on Friday night following the tentative agreement reached by Phelps Dodge. The prices also held firm, despite a further fall in the New York copper market on Friday night following the tentative agreement reached by Phelps Dodge. The prices also held firm, despite a further fall in the New York copper market on Friday night following the tentative agreement reached by Phelps Dodge.

Another steady influence for copper was the news that 5,000 workers at Chile's State-owned El Salvador copper mine have gone on strike, following the failure to reach agreement on the terms of a new labour contract. The strike, which was claimed to be 100 per cent effective, is the first stoppage since the Chilean workers' strike in 1967, which ended the first strike in Chile for some time.

However, it is expected "peace" talks will be resumed and a lengthy stoppage is not expected in view of the present troubled state of the Chilean copper industry. In the U.S., two new copper workers' strikes have started following the expiration of labour contracts on July 31.

Chileans come out

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Ceylon tea  
boycott  
by Russia

COLOMBO, Aug. 2

THE SOVIET Union has failed to take part in tea auctions here, causing a large quantity of the near 10m. lbs of tea on offer to be withdrawn from sale.

Teas that were sold also failed to fetch the high prices that usually result from the presence of Russian buyers at the auction.

Commercial circles here say that the Russian buyers stayed away because of Ceylon's recent requirement that all purchases be covered by international trade payments through the state trading corporation's export unit, Consolplex.

Trade sources said there were strong Soviet pressures for the government to reverse its decision regarding the channeling of purchases.

But the government, which believes the move to be in the country's best interests, is reluctant to back down, the sources added.

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Sharp fall in maize prices  
on brighter crop prospects

BY ROBIN REEVES, COMMODITIES EDITOR

U.S. MAIZE prices are now running at the lowest levels of the year and it is beginning to look less and less likely that there will be a repeat performance of last year's market boom.

The decline in price over the past month has been considerable. American maize was quoted at \$2.75 a ton, this compares with nearly \$3.00 a ton a month ago, and last year's peak price of \$3.25 a ton.

More significantly, this fall has taken place despite the spread of Southern Corn Leaf Blight, the disease which did so much damage to last year's U.S. maize crop (reducing it by 10m. tons or some 10 per cent of the total crop, and which was largely responsible for last year's price boom).

As it is, there is also likely to be an increase in maize supplies from other producers. According to an official estimate, France had planted 3.69m. acres of maize on June 1, against 3.77m. acres at the same time last year, although it is currently estimated that the harvest of marketable maize in France will total about the same as last year—between 6.1m. and 6.2m. tons. However, in West Germany, the popularity of the crop is spreading and the area is estimated to be up by some 20 per cent. It is also thought to be higher in Italy, while in Yugoslavia the outlook is being regarded at around 8.2m. tons against 6.9m. tons last year.

Overall then, world maize supplies are looking a good deal more plentiful. Pessimists can point out that last year the main impact of corn blight in the U.S. was not felt until the middle of August, and certainly there is many a slip twixt cup and lip. But quite apart from

31 States hit

According to the latest report from the U.S. Department of Agriculture's Corn Blight Information Centre, the disease is now affecting maize crops in 31 states. But for the present, overall infection levels are still only light to moderate in the majority of Corn Belt and Southern States.

As long as reports of the blight infection continue in this vein, it is difficult to see the market staging any dramatic recovery. As things stand, the U.S. and therefore the world maize crop, and the total maize supply is in for a bumper maize crop.

According to the Common-

wealth Secretariat's latest Grain Bulletin, American farmers' planting intentions are believed to have been largely fulfilled. If this is the case, then the U.S. maize acreage should total around 54.2m. acres, 12 per cent more than in 1970-71.

Even allowing for some losses due to corn blight and other influences, the 1971 U.S. maize crop could easily reach at least 10 per cent above last year's output of 102.7m. tons. Bearing in mind that U.S. maize exports traditionally run at about 10m. tons, the increase alone is enough to cover export demand.

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Government  
answer to  
HumphreyBy John Bourne,  
Lobby Editor

THE GOVERNMENT took steps yesterday to answer the criticisms of the EEC's farm policy last Friday by Senator Humphrey, the senior U.S. Vice President.

He said in London that the farm policy "had become a major disruptive force in world agricultural markets."

Last night in a speech Mr. Peter Thomas, Secretary for Wales and chairman of the Conservative Party, said: "There are, of course, aspects of the Community's agricultural policies that are not perhaps as we would have chosen. But I am sure of one thing. The EEC has realised that its size and economic power make it essential for it to take account of its effects on other countries."

"The Community have agreed to support the OECD high level working group on agricultural liberalisation, which they have made special concessions to cover American citrus exports, American agricultural exports to the EEC have gone up two and a half times since the Common Market was founded and 1970 was a record year."

"The U.S. has always given consistent and wholehearted support to the liberalisation of the European Communities. I believe that the EEC is already taking account of any legitimate fears in American agricultural trade circles and that this awareness of international responsibility will continue to grow with our country and the Community's development. This is to the mutual interest of Europe and the U.S."

Headline to Japan at \$1.20 (low for Aug. 2). Tea exporters open for a second round of tenders for about 600,000 tons of tea, a drop from 700,000 in July, August 2-10, also for second round of single deck tenders of 5,000-6,000 tons for a variety from Sri Lanka to French Guy and Mediterranean and from Persia to Aug. 1-10. A second round of tenders for 25,000 tons of tea from Sri Lanka to French Guy and Mediterranean and from Persia to Aug. 1-10.

OIL TANKERS—Very quiet with few cargoes of importance. A 21,000-tonper ton charter for a trip from Persia to Aug. 1-10, also for second round of single deck tenders of 5,000-6,000 tons for a variety from Sri Lanka to French Guy and Mediterranean and from Persia to Aug. 1-10.

COFFEE—Very quiet with few cargoes of importance. A 21,000-tonper ton charter for a trip from Persia to Aug. 1-10, also for second round of



## American News

### U.S. Steel price rises after pay settlement

By John Graham, U.S. Editor

NEW YORK, August 2. The link on its new labour contract barely dry, United Steel, a giant of the industry, this morning announced price increases on the majority of its products averaging eight per cent, one of the steepest rises in many years.

The increases come as no surprise whatever. Numerous steel industry executives have argued that the cost of the new settlement would inevitably lead to higher prices and U.S. Steel underlined this again in its statement, which said in part: "Over the years of past labour contract our performance has been that price increases, including those put in effect this year, have not been sufficient to cover cost increases, resulting in a continuing erosion of earnings capability."

To prevent further erosion of the new contract it is necessary that we increase our proceeds from steel mill products promptly."

John Graham, U.S. Editor, writes from Washington: THE STEEL strike that has been in for a large part of this year has been averted, at the cost of an inflationary wage settlement and a large and immediate price increase.

The companies and the United Steelworkers agreed late last night on a three-year package which will increase the workers' pay by at least 30 per cent over the next years.

The workers won an unlimited cost-of-living escalator. In general, the settlement is about the same as those in the car, aluminium and copper industries, which were specifically described as "inflationary" by the White House.

The results of the long negotiations, expensive though they seem, are probably the best President Nixon could have hoped for. It was psychologically and politically impossible for the steel workers to get more than members of the same on working in other metals. There is, moreover, plenty of evidence that the White House nerved, if that is the word, at terms. It was partly at the administration's request that the union agreed to a 24-hour extension of the strike deadline from Sunday midnight to Sunday night in order for both sides to have time to iron out terms of the rank and file would opt.

There will, nevertheless, be considerable disruption in the industry. Most of the country's steel mills were idle yesterday, despite the extension, as the companies had banked the big process of blanketing blast furnaces, tapping open hearths and so on. Apart from the time needed to restart operations, production will be reduced in the coming months because of the hedging that took place in the six months of the year. Not only was domestic production lower than usual, but imports were more than expected, in defiance of a strike.

## Errors in U.S. profit figures

By John Graham, U.S. Editor

THE POSSIBILITY that American companies may be seriously misreporting their profits has been raised this week by the report of one of the country's top respected economic research models.

Dr. Otto Eckstein (formerly of the Council of Economic Advisers) has examined company data with his DAT resources and discovered errors of such size that they raise important policy questions. His findings and tentative conclusions are as follows:

For 1970, the original estimate of company profits was \$81,300m., but this has already been revised to \$75,400m. The previous year's original estimate was \$70m., later revised to \$200m. A third large downward revision occurred for 1968, from \$92,300m. to \$87,600m. Such large revisions are relatively new. In the three years from 1965 to 1967, for instance, the final revisions were no larger than 4 per cent. In any given year, there also seems to be a systematic cyclical factor in the rising phase of the business cycle the figures are revised upwards, in the weaker years downwards.

What makes the large difference of the last three years serious are the mechanics of the revision process. The estimates are all made by the office of Business Economics (OBE) in the Department of Commerce, which bases its initial figures on those publicly reported by the companies themselves.

But, this office uses the Inland

## Nixon accepts Peking in UN, two-China plan

By John Graham, U.S. Editor

THE NIXON Administration formally withdrew its opposition to China's membership of the UN today, and announced a "two Chinas" policy. Mr. Rogers, Secretary of State, said: "The U.S. accordingly will support action at the General Assembly this autumn calling for seating the People's Republic of China. At the same time the U.S. will oppose any action to expel the Republic of China or otherwise deprive it of representation at the UN."

He added that the U.S. would not insist that the admission of China be made "an important question," which would need a two-thirds vote rather than a simple majority. Any attempt to expel Taiwan would, however, be considered an important question.

Nothing in what he said should be construed as a decision about which China should be considered the sole government of the Chinese people. Acknowledging that both Peking and Taipei claimed to be the sole government of China and the representative of all the people of China, he went on: "representation is an international organisation"

## Rail agreement reached after 18-day strike

By Guy de Jonquieres

RAILWAY Management and union negotiators today reached a settlement ending the 18-day selective strike that had paralysed 10 rail lines and brought freight transport to a near-standstill.

The 240,000 striking railway workers were ordered back to work from mid-day and normal service is expected to be resumed on the affected rail lines within the next few days.

The details of the agreement have not been announced as yet. But Mr. Charles Luna, the head of the United Transportation Workers Union, said: "We have made an agreement that we are proud of, an agreement that we can live with."

The chief management negotiator, Mr. John Hiltz, was somewhat less enthusiastic, saying only that he was "very happy that a satisfactory conclusion has been reached."

It is understood that the main points of the settlement conform with the recommendations of a Government emergency Board which reported three months ago. The size of the wage increase negotiated, 42 per cent over 42 months, was also announced several months ago.

The heart of the dispute has been disagreement over work

need not prejudice the claims or views of either government."

The U.S. has taken its two Chinas stance after months of consultations. These showed that a large number of countries wanted to have the Communists in, and also wanted to keep Taiwan off the Security Council. Given President Nixon's intention of visiting Peking, and his basic desire to deal seriously with the Chinese Communists, today's statement was hardly unexpected. It nevertheless marks a considerable volte-face from the early days of his Presidency.

### Volte face

There remains the difficult question of Taiwan's permanent seat on the Security Council. To become a member of the U.N., a country must not only get a majority of the General Assembly but also avoid a veto at the Security Council. U.N. diplomats today said that Taiwan would not have a veto right on this matter in the autumn, since it would itself be concerned that is, in a way and judge.

It depends on precisely what

WASHINGTON, Aug. 2.

The resolutions are, and Mr. Rogers made it clear today that the U.S. had not decided on its tactics. If Peking remained adamant about Taiwan's expulsion, or if a resolution to take Taiwan off the Security Council was tabled, then the U.S. could revive the "important question" and could even reverse today's statement.

Mr. Rogers said that the U.S. had informed Taiwan of today's announcement — presumably through the Ambassador here — but not Peking. He said that he had no indication from either China whether it would be prepared to sit in the U.N. with the other.

Charles Smith, Far East Correspondent, writes: There was no official reaction from the British Government yesterday to Mr. Rogers' statement but unofficially it is known that Britain both dislikes and distrusts the American attempt to inaugurate a two-China policy. It is highly unlikely that the U.K. will vote for a "revised important item" motion designed to keep Taiwan in the United Nations although it might not actually vote against. On the other hand Britain will this year vote for the traditional Albanian motion which calls for the admission of the Peoples Republic of China to the U.N. and the expulsion of the Nationalists.

Britain is understood to have received advance notice of the content of the Rogers statement, but there is no indication that consultations of any kind took place between London and Washington before the Americans made their decision. Whitehall sources were suggesting last night that the U.S. move was distinctly out of line with the rest of President Nixon's policy towards China and might even be viewed as "face saving" and has not been so presented to Peking.

Mr. Hodgson pointedly refused to say whether he thought either of the settlements were inflationary.

### Praise for settlements

The settlements in the steel industry and on the railways were praised today by the Secretary of Labour, Mr. James Hodgson. "We believe that this has been a pretty good week-end on the industrial peace front," he said.

"The President's reaction could be characterised as being pleased that the orderly expansion of the economy can continue without the disruptive influences of a strike," he added. Mr. Hodgson pointedly refused to say whether he thought either of the settlements were inflationary.

## Brazil \$47m. roads loan

By Our Foreign Staff

THE INTER-AMERICAN BANK announced the approval today of two loans equivalent to \$47m. to help build or improve nearly 400 miles of roads linking Brazil and Uruguay. The two loans were extended to the Departamento Nacional de Estradas de Rodagem, Brazil's national highway agency, and will be used to build or improve four major land routes in Brazil's Rio Grande do Sul State.

The highways, which will connect with roads in Uruguay, include: links between Pelotas and Jaguarão; Jeribá, Bagé and Açu; Rosário do Sul and Livramento, and São Sepé and Canguçu. All these are included in the Preferential Plan

for National Roadworks of the Brazilian Government. The total cost of the programme is estimated at \$83,450,000. The Bank loans will cover 56.3 per cent of that figure; the remainder is being provided by DNER.

The area in which the roads will be located is rich in agricultural potential, but the lack of an adequate transportation system in the area has been a serious limiting factor in its socio-economic growth. Production of farm crops in the area far exceeds local needs at present thus leaving large surpluses available for exportation. The projected highways will provide a fast and economical outlet for such products to consumer centres in Brazil and Uruguay.

WASHINGTON, August 2.

Revenue Service's definition of profits for its revision and final figures. These derive partly from the Inland Revenue's statistics of income. These become available only after a lag of a year or two, and are calculated of course after the actual taxes on profits have been collected and counted.

The OBE's revisions, therefore, indicate the gap between public reports and the Inland Revenue's tax reports, and the width of the gap in the last three years suggests to Dr. Eckstein three possibilities:

1—Average accounting practice may have deteriorated dramatically. If all the differences in the figures for the last three years were due to loose reporting practices, it would imply that the entire profit increase between 1966 and 1969 was due to this looseness, not to any improvement in real earnings. The stock market rose by 30 per cent in the period, and then lost all this gain in 1969 and 1970. Had earnings reports been as sharp as they are now reported to have been, the stock market boom and bust would have been milder and the economic boom would have been less overblown.

### Broken down

2—Business may have been under-reporting its profits to the Inland Revenue. There have been no major changes in the definitions of taxable income under the internal revenue code, but there is considerable discretion in its interpretation.

3—The statistical operations of the OBE or the Inland Revenue would have broken down through human or mechanical error. Dr. Eckstein does not consider this likely as the prime explanation. The widening gap between reported earnings and taxable earnings is a question not only for econometricians. Individual and institutional investors are guided largely by such reports, as is economic policy at the Government level.

## AERONAUTICAL SATELLITES

# Global plans for air safety

By David Fishlock, Science Editor

THE MID-AIR collision which took place over Japan on Friday underlines the significance of the international meeting on air traffic control, initiated by the U.S., which opens at Ministerial level in Madrid this morning. Fourteen nations are meeting under the chairmanship of General Salvador Diaz-Scruena, Spanish Minister of Air, to try to reach agreement on a global satellite system for surveying and controlling aircraft movements.

Air traffic control, to be fully effective, demands three indispensable features. One is the monitoring of every aircraft in the air space under surveillance. The second is a body with authority to decide what action must be taken to avoid a collision. The third is undelayed communications to every aircraft in the air space under surveillance.

Over the oceans, beyond about 250 miles from the shore, there is no means today for independent surveillance of every aircraft. Moreover, the high-frequency radio links with the aircraft, in which signals are bounced off the ionosphere, cannot offer undelayed communications.

### Blunder

Hence aircraft fly across the oceans to flight plans they must declare before taking off. Should, however, a "blunder" error cause an aircraft to stray far off course, a commonplace occurrence, there is no way now of alerting other aircraft. So flight plans are arranged to allow large separations between the aircraft, not less than 120 miles. At times of peak traffic this can mean that aircraft must take a much longer route, with the extra cost and delay that entails.

Technically the answer, it has been accepted for some years past, lies with a satellite system—an aeronautical satellite service. Such a scheme would offer direct communications between the ground control and every aircraft, while the satellites themselves provided the pilot with an accurate position reference to reduce "blunder" errors.

Traffic congestion, moreover, will make some such system mandatory for the oceanic routes across the North Atlantic and the Pacific by the mid-1970s. Since it will take up to three years to design and one more to

test a new commercial satellite system, a decision on where and how to begin is already urgently needed.

How a commercial "aerosat" service might be introduced has been the subject of various proposals, such as one COMSAT advanced in May, 1970, for a parallel service to its global communications network. Its targets were the U.S. Federal Aviation Administration and Aeronautical Radio, which provides communications for the U.S. airlines. In Europe, ESRG, the European Space Research Organisation, has also been eager to launch such a scheme, and has sponsored aerosat studies with three European aerospace

three-day meeting in Madrid this week is a return bout, from which it is hoped will emerge firm proposals for the second global satellite service.

At the moment there are obvious burdens to a joint programme. The Governments of Western Europe do not share the U.S. desire to lease aerosat links from private sources but want at least the initial service to be owned by governments. Neither side doubts the advantage of some such scheme for air safety. How the cost of the service and the work on the satellites might be equitably shared, however, are subjects bound to cause complications.

For the airlines themselves, an aerosat service threatens to

the U.S. Navy's Transit, and its possible successor, Timonin. In a civil guise, the principles of ranging and fixing for aircraft have been explored through NASA's three applications technology satellites, ATS 1-31. These "birds" are in geostationary orbit at 19,300 nautical miles.

One system tested through these satellites is called "tone-code ranging," developed by Mr. Roy Anderson with U.S. General Electric. It uses ordinary voice communication channels at VHF to recall the pilot when he has strayed from his course—something, says Mr. Anderson, that will probably happen at least once during an ocean crossing.

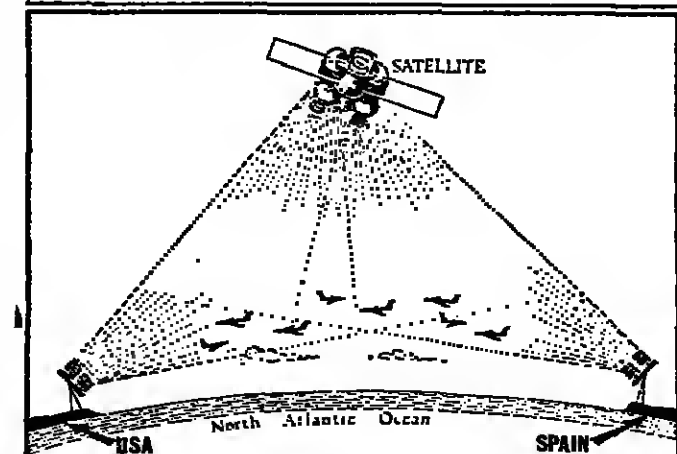
In experiments involving a DC-8B and a KC-135 of the U.S. Federal Aviation Administration, he has shown for the first time that it is practical to locate aircraft by range measurement from two satellites with a single interrogation from the ground, and a single response from the aircraft. Even at the comparatively low frequencies he uses the resolution of one-code ranging is good enough to pinpoint an aircraft within three to five miles. What is more, new aircraft such as the Boeing 747 are already equipped to receive tone-code ranging.

### Agreement

Others are working on L-band transmissions, around the French with their Ducasat system, a global proposal that needs two geostationary satellites. Another is PLAGE (Position Location and Aircraft Communication), worked out by NASA, which combines voice and digital links with ranging signals. TRW, meanwhile, has proposed a system that may work out cheaper to install, with three satellites in low orbit and only one in high, geostationary orbit.

The technology, therefore, appears well advanced. What is awaited is a formal request for proposals for an aerosat system to offer continuous high-quality communications for pilots over the ocean. By getting agreement this week on how nations would manage this new form of traffic control, a joint request for proposals might emerge, Aviation Week reports, "as soon as October, or as late as next spring."

The Atlantic AEROSAT Scheme



groups. Several large corporations, including General Electric, RCA and TRW, have worked out schemes of their own, with assistance from the U.S. space agency, NASA.

Early this year the aerosat concept took a major pace forward with a statement from the U.S. Government's Office of Telecommunications Policy, reaffirming that the service is wanted in the Pacific by 1973 and in the North Atlantic by 1975. The statement also established that the Administration wants to lease such a service rather than own and operate its own.

Then, this summer, from a ministerial meeting in Washington, emerged the prospect of a joint international programme to develop a common system that would serve both oceans. The

involve a costly short-term re-equipment to offset any long-term advantage from flying more aircraft over shorter routes. To take full advantage of a satellite system the airlines are likely to need to shift from the highly congested VHF band used at present to the L-band, where frequencies from 1540 to 1660 megahertz have been assigned. L-band would also assign the pilot a more precise "fix" from the satellite. But to receive L-band the aircraft will need a steerable aerial that keeps the satellite in view; a much more complex and costly arrangement than aircraft communications at present.

The essential aspects of a satellite system for navigation have already been established with such military systems as

## Chemical New York Corporation

And Subsidiaries Including

## Chemical Bank

### Consolidated Statement of Condition

As of June 30, 1971

<b>Assets</b>	
Cash and Due from Banks	\$ 3,145,847,000
<b>Securities:</b>	
U. S. Treasury and Federal Agencies	746,224,000
State and Municipal Obligations	843,856,000
Other	48,898,000
<b>Total Securities</b>	<b>1,638,978,000</b>
<b>Loans</b>	<b>6,135,068,000</b>
Federal Funds Sold	228,810,000
Premises and Equipment	92,432,000
Customers' Liability on Acceptances	230,719,000
Accrued Income Receivable	80,891,000
Other Assets	125,808,000
<b>Total</b>	<b>\$11,678,553,000</b>
<b>Liabilities</b>	
<b>Deposits:</b>	
Demand	\$ 5,218,865,000
Savings	678,991,000
Time	2,226,167,000
Foreign Branches	1,474,401,000
<b>Total Deposits</b>	<b>9,598,424,000</b>
<b>Federal Funds Purchased and Securities Sold</b>	<b>722,219,000</b>
<b>Under Agreements to Repurchase</b>	<b>57,364,000</b>
<b>Other Liabilities for Borrowed Money</b>	<b>235,952,000</b>
<b>Acceptances Outstanding</b>	<b>67,929,000</b>
<b>Accrued Taxes and Other Expenses</b>	<b>8,607,000</b>
<b>Dividend Payable</b>	<b>81,418,000</b>
<b>Other Liabilities</b>	<b>10,772,913,000</b>
<b>Reserve</b>	
Reserve for Possible Loan Losses	114,223,000
<b>Capital</b>	
5% Capital Notes Due 1992	50,000,000
5% Convertible Capital Notes Due 1993	52,747,000
5 1/2% Convertible Subordinated Debentures Due 1996	50,000,000
<b>Total Capital Notes</b>	<b>152,747,000</b>
<b>Stockholders' Equity:</b>	
Common stock, \$12 Par Value	
Shares Authorized 33,000,000, Outstanding 13,343,018	
after deducting 116,900 shares held in the Treasury	160,116,000
Capital Surplus	302,742,000
Retained Earnings	175,812,000
<b>Total Stockholders' Equity</b>	<b>638,670,000</b>
<b>Total Capital</b>	<b>791,417,000</b>
<b>Total</b>	<b>\$11,678,553,000</b>

Assets carried at \$21,220,000 on June 30, 1971 were pledged to secure public funds and for other purposes required by law. Subject to audit. Member Federal Deposit Insurance Corporation

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Export  
NewsU.K. top  
supplier to  
Dubai

FOR THE first time for several years, the U.K. in 1970 was the leading supplier of goods to Dubai.

Exports to Dubai have climbed steadily from QDR35m. (£3.5m.) in 1966 to QDR197m. (£19.7m.) last year. Switzerland was the market leader in 1966, but for the next three years that honour went to Japan. In 1970, however, Japanese exports to Dubai actually declined, from QDR179m. to QDR163m.

These figures come from the Dubai Annual Trade Review, 1971, published on behalf of the Government of Dubai by External Development Services, of London. The report states that there was a slump last year in imports of some consumer goods, but this was offset by increases in construction materials, defence equipment, and other items.

U.K. shipments of arms and ammunition, for instance, jumped from QDR2.6m. to QDR15.4m., of electrical goods from QDR12m. to QDR20.7m., and of building materials from QDR19.9m. to QDR45.6m.

External Development Services has also introduced a Dubai Trade Statistical Service, at an annual subscription of \$4.20.

Switchboards  
to Africa

AFRICAN orders for telephone switchboards totalling over £90,000 were announced yesterday by the Plessey Company. The biggest order is from the Chaus Posts and Telegraphs Department for over 300 private manual branch exchange switchboards. Both floor pattern and cordless desk-top types of equipment are required, and the contract is worth over £54,000.

In addition, on behalf of the East African Posts and Telegraphs Department, a Crown Agents order for 140 switchboards for small businesses and offices in Kenya, Uganda and Tanzania has gone to Plessey.

In both cases the equipment will be manufactured at Plessey's Beeston, Nottingham, factory, and delivery will begin towards the end of this year.

Remote control  
sewage plant

KENT Instruments (Australia), subsidiary of the U.K. George Kent Group, has won a contract worth \$41.5m. to equip the Melbourne and Metropolitan Board of Works' new South-Eastern sewage treatment plant. There will be complete monitoring of the plant under all operating conditions, and Kent claims that there will be improved efficiency and savings in labour costs.

£600,000 order  
for Chrysler

A UNICEF order for 144 16-ton and 213 13-ton Dodge trucks, worth \$600,000 with spares, has been received by Chrysler United Kingdom. The trucks, built at Dunstable, will be shipped this month to India for use in relief work among Pakistani refugees.

Moscow machine  
tool fair "real  
success"

FINANCIAL TIMES REPORTER

EXHIBITORS at the British Machine Tools Exhibition in Moscow, which closes today, are already pressing for a further trade show in the city, possibly in 1973.

This was claimed yesterday by Mr. H. O. Barrett, general manager of the Machine Tool Trades Association, which organised the exhibition.

Contracts which had been the subject of earlier negotiations have been signed, and others for machines and equipment on display are now being negotiated, he said. "Exhibitors are highly satisfied with their discussions and are convinced of the need for a further, similar exhibition."

In terms of the enormous interest aroused and the number of visitors it is possible to claim complete success. Prominent among visitors to the exhibition have been Ministers, Deputy Ministers, and senior representatives of Soviet state trading organisations.

Forty-three machine tool and associated equipment manufacturers have been taking part in the exhibition. Some 200 tons of exhibits, valued at over £1m., have been on show since January 22. Running parallel with the exhibition was a five-day technical symposium.

During the exhibition, the opportunity was taken to resume technological collaboration talks between British and Soviet specialists concerned with the application of British numerical control and associated equipment, and digital readout

devices, to Soviet machine tools. These discussions were first held in London in November, 1969, and continued in Moscow in January this year. As a result, technical agreement in this area has been considerably advanced.

A. Herbert  
deliveries

THE FIRST two Anocut electrochemical shaping machines to be exported by Herbert Boring and Drilling, of Luttrell, a member of the Alfred Herbert Group have now gone into production at factories in Europe. Together they are worth £75,000.

The latest machine to be delivered has gone to the aero-engine works of Fiat, where it will be used to produce a variety of components such as turbine blades and housings. Herbert is hoping for a repeat order, in view of Fiat's plans to install more electrochemical machining capacity.

An earlier machine was delivered to the research department of a leading electrical engineering group for evaluation.

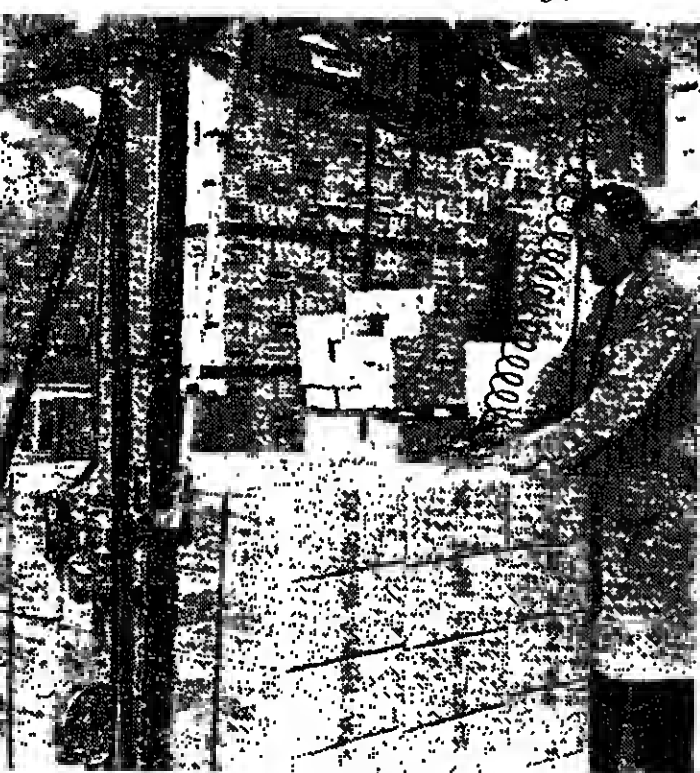
Electrochemical machining is a technique for producing accurate, three-dimensional complex shapes in tough alloys by electrolytic action. The DC units which power the machines are made in the U.K. by the wholly-owned subsidiary of the Chicago-based Anocut Engineering Company.

Unilever group completes  
pallets experiments

AFTER a 12-month trial, Unilever Export has decided to continue using a "throw-away" pallets system developed within the group.

A report from the company stated yesterday that the system would be used where it was shown to be viable, but it seemed doubtful that the point would be reached where all traffic was shipped exclusively on expendable pallets.

The Unilever system shown in the photograph below uses a cheap wooden base, on to which the cartons are strapped. It works out about £1 a load.



The total cost for pallets and strapping, less pallet concessions, was just about offset by a reduction in transport charges due to a quicker turn around at the factory and docks, a group spokesman said yesterday.

Advantages had emerged on the marketing side rather than in direct cost saving. In most markets, for instance, the products arrived in better condition on pallets, with a consequent improvement in shelf appeal in the shops. Palletisation had also led to a significant reduction in pilferage, but had not eliminated damage.

## YACHTING

Protest may rob U.K.  
of precious points

By ALEC BEILBY

COWES, August 2.

THE British Admiral's Cup team were expected to either hold or increase their points lead over the Americans in today's tricky 30-mile inshore race, but a protest made by the Australian yacht Koomooloo against the British entry Cervantes TV could result in a drastic reduction and not the hoped-for increase in the lead. This, in turn, could make the picture much brighter for the Americans.

The protest will not be known until a special meeting has been held tomorrow morning to hear both sides of the tactical argument. To-day's was the first of the two inshore races to be sailed off Cowes and a fresh breeze raised the hopes of the Americans that their larger yachts would be able to save their time on handicap against the smaller British and Australian teams, even though the course was only just over 30 miles in length.

## Problem

The problems between Cervantes and Koomooloo arose seconds before the starting gun fired and the Australians, who claimed they had right of way at the time, insist that the crew of Cervantes failed to take avoiding action quickly enough. Apart from this incident the Australians were in trouble on another front when their yacht Salacia II jammed a wire stand and came to a halt at the start.

The American yacht Yankee Girl, the Argentinian Matroero and the French team's largest yacht Citana V were soon out ahead of the remainder of the fleet and after the turn in the Western Solent were beginning the long run eastwards to the turn back towards the water front at Cowes. Passing the finishing line for the first time to start the second circuit of the course, another triangle, a little smaller than the first, it seemed that

Yankee Girl was just holding her own on handicap as she led the larger Citana majestically past Cowes by over a minute.

The many holidaymakers watching from Cowes seaford who probably did not understand the implications and complications of the handicapping system assumed that Britain's Admiral's Cup goose was well cooked as all the American team yachts had sailed by before the first British team yacht, Prospect of Whitby, appeared in unlucky 17th position. Life was made cheerful on the ramparts of the Royal Yacht Squadron where the yachting experts worked out unofficial placings at this stage of the race and found the lamp of hope still burning brightly for Britain.

During the second half of the race the leaders formed a procession headed by Yankee Girl who just managed to scrape home as overall winner by 50 seconds in a four-hour race from Prospect of Whitby when the handicaps were eventually calculated. Third was the Dutch yacht Standfast, fourth Morning Cloud and 11th the unlucky Cervantes. The Americans were placed, first, tenth and 17th gave Britain a good lift on points and morale until the protest between Cervantes and the Australians was announced.

## Diminish

If the race committee uphold the complaint by the Americans, Cervantes will certainly be disqualified from this race and this will mean a loss of her 37 points from the total, 397, that the British team have gained in the two races sailed so far. This will diminish the life lead to mere 10 points over the Americans and they will need a considerably larger margin than 10 if they are to start the Fastnet race on Saturday with real hopes of fending off the transatlantic threat.

Lloyd's eases cover  
on Soviet aircraft

BY RAY DAFTER

A GENERAL AIR of caution among British insurers towards covering Russian-built aircraft has been eased following a series of meetings in Russia between a three-man "deputation" from Lloyd's and aircraft manufacturers.

Many of the major British insurers have been declining risks because they have not been able to write off the arrangements for repairing Russian aircraft. There have been occasions when crashed aircraft, which could have been repaired, have had to be written off because of difficulties over repairs and shortage of spare parts.

The U.K. delegation comprised Lloyd's underwriters Mr. J. H. Davies and Mr. S. R. D. Bell and Lloyd's surveyor Mr. C. Dakin. Mr. Davies said yesterday that the Russians seemed to be genuinely surprised at the situation and agreed in principle to co-operate with technical information, damage estimates and repair facilities. Such an assurance, he added, would create an easier atmosphere among insurers who were asked by operators to cover Russian aircraft.

In spite of recent difficulties Britain provides a good deal of cover, mainly in the form of reinsurance, for Soviet aeroplanes.

Among those operating the aircraft, apart from the USSR, are some Arabian, East European and African countries, India, Cuba and Afghanistan.

The Russian manufacturers are also known to be keen to sell their aircraft to Western airlines, which would almost certainly mean further insurance business for the U.K. The "Concordia" - the Tupolev TU-144 - is one of the aircraft Russia is marketing in the West.

Qantas plans  
charter group

MELBOURNE, August 2.

AUSTRALIA'S overseas airline Qantas has been given government permission to form a subsidiary company to operate charter and low-fare flights. The Minister for Civil Aviation, Senator R. Cotton, said the government had approved the proposal in principle but added that there were problems to overcome, including the essential requirements of negotiating traffic rights with other governments.

£89 five-day  
holiday  
in U.S.

Financial Times Reporter

WITH THE words "we intend to play it right down the line" stuck to the rules of Britain's Grand Metropolitan Hotels (Mr. Maxwell Joseph) and America's Trans World Airlines yesterday unveiled a charter holiday scheme which provides U.S. holidays for £89 for five days.

The two companies, working through the travel agency, Wembley Travel, are making the offer to companies and affinity groups. The group or company charter a whole Boeing 707 (with 175 seats) and disposes of the tickets to its employees or members. The deal is aimed at the incentive tour market in particular.

Although any American tour arranged, the initial packages are based on Grand Metropolitan's New York Hotel, the Royal Manhattan. It is hoped to carry 6,000 people in the first year of the scheme, which has no seasonal variations and includes departures from London's Heathrow airport in a normal TWA aircraft set aside for charter use.

## HOME CONTRACTS

£1m. order  
for Van  
Leer (U.K.)

Van Leer (U.K.) is to supply 100,000 van cylinders to Calor Gas. The cylinders will be used for Calor Gas and Calor Propane.

Matthew Ball Mechanical Services has won a £150,000 order for mechanical and electrical services in a new Star (Great Britain) Holdings office development at Streteford in Lancashire.

Attest Group has been awarded a £137,680 contract for an engineering stores and offices block by the Electricity Council Research Centre, Capenhurst, Chester. Completion is scheduled for January, 1972.

Nigerian Army  
L-drivers

INDOOR simulators, for training drivers before letting them out on the road, are being bought by the Nigerian Army for a cost of £20,000. Equipment for a 24-place installation is now being delivered by Indoor Driver Trainers, of Sutton, Surrey, to a specially-built school at Lagos. The equipment consists of 24 IDT/Link car simulators, a computer which records drivers' errors, instructional films, and a projector and screen. The IDT/Link system is already used by the British Army and the Royal Air Force as well as by local authorities and private driving schools.

More traffic  
through Dover

DOVER HARBOUR Board reports a 9.7 per cent increase in the number of passengers using the port during the first six months of 1971. This year, 1.7m. passengers embarked and disembarked compared with 1.7m. in the same period last year.

The highest rise in traffic was in the export and import of motor vehicles. The number of cars increased by 87.39 per cent to 58,495. Cargo passing through the port was 538 per cent up, at 995,444 tons. The number of commercial road haul freight vehicles was 44.75 per cent higher, at 50,648. Accompanied motor vehicles showed an increase of 11.88 per cent to 277,312.

Tighter security  
for Ministers

BY JOHN HUNT

MR. JOHN DAVIES, Minister for Trade and Industry, has been given a 24-hour personal police bodyguard and security for other Ministers is to be tightened following the week-end bombing of Mr. Davies' London flat.

The new arrangements were decided yesterday in talks between Mr. Reginald Maudling, Home Secretary, and Sir John Waldron, Metropolitan Police Commissioner. Mr. Davies becomes the fourth Minister to have a personal bodyguard. The others are Mr. Edward Heath, the Prime Minister, Mr. Harold Wilson, the Foreign Secretary, and Mr. Alec Douglas-Home, the Foreign and Commonwealth Secretary.

After yesterday's meeting, a Scotland Yard spokesman said senior police officers were reviewing the protection of all Ministers. "The 24-hour personal protection of Mr. John Davies is now in force and further measures will be taken as events and circumstances are reviewed."

## Contact with Yard

It is understood that there is no intention of giving every Minister a full-time bodyguard as Ministers feel that this would place a barrier between themselves and the public. What is proposed is that

Ministers keep the Yard informed of their movements all the time and also state where any particularly controversial subject is likely to crop up in their area of responsibility.

Special precautions will then be taken to guard a Minister who is likely to be in the public eye on a controversial matter. It was noted that the bomb attack on Mr. Davies' flat was the first such attack on a Minister since the war. Mr. Davies was the news over Upper Clyde St. Builders when Saturday's explosion occurred at his flat at Richmond Court, Fulham.

Mr. Robert Carr, the Ministry Secretary, was embroiled in his controversial Industrial Relations Bill when his home in Barnes, Herts., was bombed in January.

In future when a Minister goes through such a "dam period" he will be guarded hours a day by a detective usually from the Special Branch. Should a Minister go away a week-end the detective will accompany him and the police would be alerted.

A police patrol had been keeping an eye on Mr. Davies' flat, often patrolling stairs and corridor at irregular intervals at all hours.

New guidelines for  
incentive schemes

BY MICHAEL BLANDIN

NEW RULES for the creation of share incentive schemes for company executives have been set out by the group of large institutions which represent the Investment Protection Committee of the National Association of Pension Funds.

Following a further meeting of the special committee, the new guidelines have been published. They will be completed in preliminary rules suggested a week earlier.

In particular, the full code covers incentive schemes which incorporate arrangements to enable participants to borrow money to pay for their shares (foisted at nil or low rates of interest).

The NAPF committee suggests that, where shares are to be issued at below market price, the scheme must incorporate corporate performance targets to be reached or exceeded before the participants can realise any capital gain from their shares. Touching on a problem recently raised in connection with last week's proposals by Whesee, the guidelines also suggest that corporate targets and the issue price of the shares for any participant is lost as a result of share incentive schemes before the issue is made.

For all types of scheme, code lays down rules which limit the size of the issue in relation to a company's capital and the individual participant's income, and argue that participants should enjoy complete protection against loss.

The code repeats and slight amends the guidelines already set out for schemes where shares are issued partly paid. It also takes into account schemes of the kind by setting out rules for the minimum proportion of future profits to be set aside for scheme participants and insisting that profit increases should be calculated on an earnings ordinary share basis.

The guidelines are not intended to be a rigid set of rules for incentive schemes, but it is hoped that companies and advisers will take them into account, and would consult with the Institutional Investors' Intending to deviate substantially from the general principle involved.

Casinos plea for change  
in membership rule

BY ARTHUR SANDLES

THE CASINOS Association, whose membership includes most of the better-known gambling clubs, is about to ask the Government and the Gaming Board for a relaxation of the 48-hour gaming club membership rule—but only for foreign tourists.

At the moment, membership of a club can only be granted 48 hours after application. For many of Britain's 7m. foreign tourists gaming is an impulse activity and 48 hours is a long time to wait.

It is important to the business that we change this rule," said

the Association last night. "Country is lost as a result of foreign currency because of 48-hour rule."

The protest from the Gam Association comes soon after travel interests have been asked for relaxation of the drink laws so that tourists might better served.

Meanwhile, last-minute preparations for the opening of the International Sporting Club, formerly the Colony Club, are going on. The club is owned by Curzon House, a subsidiary of Mr. Maxwell Joseph's City Investments.

Holding company formed  
for Bamberg interests

BY RAY DAFTER

MR. HAROLD BAMBERG has formed a holding company, Bamberg Group, for his activities in the airline business. He said yesterday he had decided to step up his business activities, adding there was a definite place in Britain for the type of company which he thinks he could create.

## Cargo airline

A cargo airline, serving the Far East, is among the proposals which Mr. Bamberg, former head of the Eagle International Airlines, has at present under discussion.

The airline business generally seems to have gone very flat and the amount of creative input is extremely limited, he said. "There is a lot of scope for completely new ideas. There will be many opportunities in the future and I intend to create a basis to take advantage of them."

Four companies immediately came under the wing of the Bamberg Group. They are Eagle Craft Services, which has sold aircraft in the past two years; Eagle Flying Services, which is formed as an aircraft operating company; Integrity Finance, which is a travel finance company; and Protection of Persons and Property, an insurance broker business.

Mr. Denis Read, formerly a senior controller of the hotel and catering subsidiary of American Airlines, has been appointed financial controller and company secretary for the Bamberg Group. Mr. Arthur Merrick, executive general manager of Eagle Air Services, has been appointed director of the group, and Mr. A. Smith, a former lecturer in aeronautical engineering at South College of Technology, has been appointed quality co-ordinator of Eagle Aircraft Services.

Council to sign trading  
stamp agreement to-day

BY FAMELA JUDGE

ONE of the first local authorities to adopt civic trading stamps is Droysden. The town council is to sign the agreement with CS Trading this morning.

As reported on March 29, the stamps can be saved against items such as rates, council rents and school meals. Mr. Dennis Rose, chairman of CS Trading, said yesterday that he expected the next council would be Inverkeithing, in Fife, and that 37 other authorities might well join in the coming six months. It is hoped that stamps will be available from October 1 in both

Droysden and Inverkeithing. Trading will begin to introduce the idea to Droysden shopkeepers next week. There are 350 shops in the area and 14 garages, according to Mr. Rose, who said would be looking for 20 per cent of the market.

CS Trading was formed in October, 1970, and retailers books of Civic Stamps for £ each. Out of this, 80p goes to the authority. £1.60 is placed in a fund (to be drawn against stamps), and £1.35 retained by organisers to cover costs. For each book received the local authority receives 20p.

All of these securities having been sold, this announcement appears as a matter of record only.

## McDonald's Corporation



## ► \$25,000,000 4½% Convertible Subordinated Debentures Due 1996

Convertible, unless previously redeemed, into Common Stock at \$70.50 per Share

## ► 378,764 Shares of Common Stock

(Without Par Value)

Paine, Webber, Jackson &amp; Curtis

Incorporated

Blyth &amp; Co., Inc.

duPont Glore Forgan

Incorporated

Homblower &amp; Weeks-Hemphill, Noyes

Merrill Lynch, Pierce, Fenner &amp; Smith

Incorporated

Stone &amp; Webster Securities Corporation

Dean Witter &amp; Co.

Incorporated

Amsterdam-Rotterdam Bank N.V.

Pierson, Helling &amp; Pierson

Eastman Dillon, Union Securities &amp; Co.

Incorporated

Lehman Brothers

Salomon Brothers

Wertheim &amp; Co.

Banca Commerciale Italiana

N. M. Rothschild &amp; Sons

Drexel Firestone

Incorporated

Goldman, Sachs &amp; Co.

Loeb, Rhoades &amp; Co.

Smith, Barney &amp; Co.

Incorporated

White, Weld &amp; Co.

Bache &amp; Co.

Incorporated

Banque de Bruxelles S.A.

S. G. Warburg &amp; Co.

Limited

July, 1971



## European news

### Maltese deadline expired

By Our Own Correspondent

VALETTA, Aug. 2.

The deadline set by Mr. Dom Mintoff, the Maltese Prime Minister, to Britain for reviving defence and financial treaties is expired. But it is unlikely that he will take immediate steps to sever the island's relations with the West.

Mr. Mintoff set his deadline for Mr. Heath before Lord Carrington could be sent to Malta to discuss Mr. Mintoff's proposals on July 20. Agreement is scheduled to be reached by August 1.

Mr. Mintoff, it is understood, favours shutting down the British and NATO bases if his proposals fail. But it is unlikely that he will take immediate steps to sever the island's relations with the West.

Reuter writes from Brussels: The NATO Council to-day considered discussion of Britain's proposal to Malta. Alliance sources said that the decision was taken and a Council will meet again later this week, probably on Thursday.

Our Brussels correspondent writes: While NATO officials are maintaining a strict veil of secrecy over the discussions on Malta, they make it clear that at an initial offer will be made by the end of the week in time for NATO's summer session.

Our Foreign Staff adds: The Alban Ambassador in London, G. Manjani, called at his own request yesterday to discuss the Malta question with Sir Alec Douglas-Home, the Foreign Secretary. No details emerged of their conversation, but it is understood that the sides are agreed on what to do. The Malta Dry docks are to be handed over to the British. The Malta Dry docks are to be handed over to the British. The Malta Dry docks are to be handed over to the British.

### COMECON CONVERTIBILITY

PRAGUE, August 2.

MECON has agreed to introduce a convertible rouble, although it was not stated whether the currencies based on the convertible rouble, according to Czechoslovak Premier Vojtech Strougal.

In an interview with the Communist Party newspaper Rude Avno, Mr. Strougal said that a key decision at the Comecon summit in Bucharest last week was that "the functions of a fictitious currency in the socialist community would be filled by a convertible rouble later."

### MICHELIN

## Company keeps to itself

By ADRIAN DICKS IN PARIS

ANYONE PASSING casually through Clermont-Ferrand might find it difficult to see how this pleasant, leafy, upland city makes its living. Partly, of course, as a university town and partly, as a centre of administrative and commercial capital of the Auvergne. But, too, as a spa among many others in a part of France famous for its mineral springs.

It might take longer to realise that this is also the headquarters of Michelin, the world's fourth largest tyre manufacturer and one of the most successful companies of its size anywhere.

Paternalism

The acres of factory buildings, surrounded by high, blank walls, are scarcely a clue as to who runs this place. Like the big Michelin housing estates and the company-run shops in which employees benefit from prices as much as 20 per cent below those in the town—all part of a paternalistic management dating back half a century.

The hosts of grey-painted houses that run to and fro between the three main plants are equally anonymous, while the company's entry in the local telephone directory is in ordinary type, like that of any private subscriber. Socially, too, Michelin men have the reputation for keeping to themselves—habit doubly encouraged by the ruling hand of the dynasty, the Franchet family.

With at least 55 per cent of the French tyre market, and rather more than two-thirds of its production in Clermont-Ferrand, it should have been well-placed to benefit from the French motor industry's long export boom following devaluation of the franc in August 1969.

## Japan likely to restrict steel exports to EEC, U.K.

BY OUR OWN CORRESPONDENT

TOKYO, August 2.

JAPAN is likely to voluntarily restrict exports of steel products to Britain and the European Economic Community beginning in 1972 under a new bilateral programme now being considered by officials of the Japan Iron and Steel Federation. It was learned here to-day.

The plan would be somewhat similar to the restraints currently observed by Japanese steel companies in shipments to the American market. It is expected that the new programme would prevent the British and Europeans from developing controls of their own to protect their own markets.

Mr. Yoshihiro Inayama, president of the powerful Federation and concurrently president of the Nippon Steel Corporation, Japan's largest steel producer, returned to-day from attending the steering committee meeting of the International Iron and Steel Institute in Brussels. At a meeting with newsmen at Tokyo International Airport, Mr. Inayama expressed his opinion that such a plan is necessary to prevent disorderly exports to Europe.

Mr. Inayama and other Federation executives are preparing for negotiations with the U.S. with a view to renewing the existing agreement on the voluntary restriction of exports. But they have made it clear that the possibility of a new agreement is closely linked to an assurance that Japanese steel companies will not divert their exports to the Community or to the community's traditional customers.

The Federation has admitted that in some cases Japanese steel has been finding its way to Britain and the EEC region at low prices which tend to upset the local markets. Some steelmen here feel that much of the recent growth in steel shipments to Europe is attributed to this factor. "We do not want this to occur if it is going to bring demands for local legislation," said one Japanese steel leader.

The Federation president, Mr. Inayama, has reported that in private conversations with British and European steelmen he was asked to remind officials of the Japanese steel industry that some restraints in exports are called for under the circumstances.

### Six seek restrictions

BY OUR OWN CORRESPONDENT

BRUSSELS, August 2.

COMMON MARKET steel manufacturers are preparing for negotiations with the U.S. with a view to renewing the existing agreement on the voluntary restriction of exports. But they have made it clear that the possibility of a new agreement is closely linked to an assurance that Japanese steel companies will not divert their exports to the Community or to the community's traditional customers.

The British and European steel industries fear that if the Japanese industry agrees with the U.S. and decides to curtail export expansion on an annual basis for the next three years by a growth rate of only 3 per cent, instead of the current 5 per cent, as the Americans want, then many of Japan's steel mills will want to ship the resulting surplus to markets in Europe.

The present agreement with the U.S. expires at the end of this year and the new programme would begin on January 1, 1972. It appears unlikely that the Japanese will listen to British and European requests that the 5 per cent yearly growth be maintained for the American market.

### Belgian dual rates may be insufficient

By Adrian Dicks

PARIS, August 2.

A WARNING to Belgium that its monetary system may not be sufficient to avoid further inflows of unwanted short-term capital comes in the regular annual survey of the Belgium-Luxembourg economic union just published here by the Organisation for Economic Co-operation and Development.

"The effectiveness of the dual market as a means of blocking out unwanted inflows of liquidity might be questioned should the free market rate appreciate significantly vis-à-vis the official rate," the OECD writes. However, it notes that a gap of 7 per cent in the opposite direction was maintained between a large part of 1968 and most of 1969, and concludes that this indicates "some degree of success" for the dual market system.

### DOLLAR FIRMS IN W. GERMANY

By Christopher Lorenz

FRANKFURT, August 2.

THE BUNDESBANK to-day sold about \$100m. on the Frankfurt Foreign Exchange Market at between DM4,600 and DM4,650, equivalent to a D-Mark revaluation of 5.8 per cent. The demand for dollars surprised some market sources, as the schedule of three-month deliveries to the Bundesbank have come to an end.

The dollar's firmness is partly due to a growing feeling among dealers that the D-Mark will not be allowed to go much higher before being officially revalued.

### France helps computers

By Adrian Dicks

PARIS, August 2.

THE FRENCH Government has reached agreement with the largest remaining French-owned computer manufacturer, Compagnie Internationale pour l'Informatique, on the terms of a new round of financial assistance designed to strengthen the company's position in the French and European markets.

News of the agreement—which comes within the Piao Calcul aimed at building up a viable national computer industry in France—comes only a few days after the British Government's assurances that it would continue to support ICL.

The two companies are already associated, together with the American Control Data Corporation, in Multinational Data, aimed at strengthening the smaller manufacturers' position against that of IBM or even Honeywell.

## France raises level of compulsory reserves

BY ADRIAN DICKS

PARIS, August 2.

THE FRENCH monetary authorities to-day raised sharply the levels of compulsory reserves deposited with the Banque de France in an effort to hold down the growth of the money market. It was the second time within a month that compulsory deposits have been raised in response to the strong speculative inflow of funds into France, which during July forced the Banque de France to buy \$500m.

Levels of compulsory deposits now stand at 12.25 per cent for current accounts (up 2 per cent), 6.5 per cent for savings accounts (up 1.25 per cent) and 3 per cent on the volume of credits issued since the end of March (up 1.5 per cent).

The operation is expected to mop up about Frs.4,000m. from the monetary system, and the authorities hope this will ease the inflationary effects of the inflow of funds from abroad, which helped swell the money supply by 2 per cent in May.

The next step in the French Government's policy of standing firm on its refusal to revalue the franc is expected to be announced this week in the form of an easing of exchange controls as they affect the export of capital.

It is now clear that the private debate over revaluation in French Ministerial and official circles is over and that Finance Minister Giscard d'Estaing, whose primary concern remains the problem of domestic inflation, has won the day against those officials who had earlier argued that the franc should be allowed to move upwards.

In confronting the speculators, M. Giscard d'Estaing and the Governor of the Banque de France, M. Wocinski, have a

number of powerful weapons in reserve, including the withholding of interest payments, or the requirement of steep levels of compulsory deposits with the central bank, from foreign funds deposited in France.

In private, many French officials now accept the inevitability of a German revaluation should the D-Mark return to a fixed parity, and they are not unsympathetic to the Germans' position. If, as now seems probable, such a revaluation were of the order of 6 per cent, the strain on the franc would remain considerable.

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### Well-placed

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## Nchanga Consolidated Copper Mines Limited

INCORPORATED IN THE REPUBLIC OF ZAMBIA

### STATEMENT BY THE CHAIRMAN MR. D.C. MULAISHO

I am pleased to present the first Chairman's Statement of Nchanga Consolidated Copper Mines Limited.

During the period under review the government of the Republic of Zambia through Mindero Limited a wholly-owned subsidiary of Zimco, acquired a 51 per cent interest in the copper mines which were formerly part of the Anglo American Corporation Group. The remaining 49 per cent interest is held by Zambia Copper Investments Limited, a company registered in Bermuda. The amalgamation of the former copper companies into Nchanga Consolidated Copper Mines Limited was completed in June, 1970, with retrospective effect to 1st January. Similar arrangements as a result of which they have also become part of Nchanga, were later negotiated between Government and the shareholders of the Kansanshi Copper Mining Company and the Zambia Broken Hill Development Company, a lead and zinc producer. Arrangements covering the changes in ownership are referred to in the directors' reports.

I am happy to record that these important changes have taken place without any interruption in the efficient conduct of mining operations. On the contrary, copper, lead and zinc production targets have been exceeded, and a good start has already been made on the five-year expansion programme to which I shall refer later.

### PRODUCTION

Finished copper production for the fifteen month period under review was 416,000 tonnes and represents a slight increase on the rate achieved during the calendar year 1969. Cobalt production for the same period was 2,616 tonnes.

Production so far this year is ahead of schedule and indications are that the target for the calendar year 1971 of 407,000 tonnes will be achieved.

Lead and zinc production from the Broken Hill Division for the three months ended 31st March, 1971 was 6,530 tonnes and 13,426 tonnes respectively.

### SALES

During the fifteen month period, sales of copper were 478,983 tonnes and 416,000 tonnes. The average price realised for copper was £334 (£916) per tonne.

Sales of lead and zinc for the three months ended 31st March, 1971, were 6,574 tonnes and 11,218 tonnes respectively, and the average price realised per tonne of metal sold was £122 (£209).

### FINANCIAL

Gross proceeds from the sale of metals for the fifteen month period were K449 million of which copper accounted for K436 million. The net profit after taxation was K97 million.

Out of this the board appropriated K0.2 million for preference share dividend and redemption, and K43.4 million for capital expenditure, of which K15.3 million was on major new projects. Ordinary dividends totalled K51 million and a balance of K2.3 million was carried forward as unappropriated profit.

### METAL PRICES

During 1970 the LME cash wirebar price averaged £558 (£1,008) the average for the first six months of 1971 was £460 (£788). Thus, although January to June, 1971, copper production and sales tonnages have been satisfactory, average realisations have fallen substantially below those for the previous calendar year. This is attributed primarily to a slow-down in the U.S., Japanese and European economies, and fears that there will be an over-supply of copper when expansion plans in the main producing countries are realised.

During July when 30,000 workers from the four major American copper companies went out on strike, prices fluctuated between £442 (£758) and £509 (£873). This serves to underline how difficult it is to make accurate predictions about the copper market in the short term. Even in the long term expert opinion has often been confounded, and in my view the prospects are reasonable.

The lead and zinc markets have, to a lesser extent, felt the effect of the economic slow-down in the developed economies. It is of interest that the Zinc Producers' price was raised from £127.9 (£242) to a record level of £130 (£257) per tonne in the middle of June. However, this was attributed to production cost increases rather than a shortage of metal.

### ROKANA DIVISION

At the south orebody sinking of the main shaft continued and mining between the central shaft and the south orebody shaft was advanced. Large tonnages of additional ore have been indicated by drilling between these two shafts and the results will have an important bearing on mining plans over the next decade.

Mechanisation of underground mining methods utilising raise borers and rubber tyre loaders is continuing and their introduction is providing a great deal more flexibility in development and stoping layouts, which will lead to more rapid extraction rates and higher recoveries.

Recent developments in flotation techniques have led to a reappraisal of the feasibility of mining and treating oxide ores in the upper sections of Central and Mindola North Orebodies, and a decision has been taken to mine these areas by open pit methods starting in 1973.

Initially, two areas will be developed which between them are expected to produce approximately 17,000 tonnes of copper a year for five years. Further reserves of this material will be exploited as the operation develops.

A feature of the metallurgical operations has been the successful application of tonnage oxygen to the reverberatory furnaces and converters. There is no doubt that this has been a worthwhile innovation as it has increased smelter throughput and flexibility.

### CHINGOLA DIVISION

The first stage of the programme to further deepen the underground mine has been completed; the sinking of G.S. incline shaft has also been completed and the preliminary work for the deepening of 'C' shaft is well advanced.

Underground mining conditions in both the upper and lower orebodies have improved whilst in the open pits operations have been satisfactory; a large proportion of the new equipment to increase stripping capacity the Nchanga open pit has been commissioned.

The stage 1 plant for the leach cementation process will be ready for operation by the end of 1971. Planning and design of the major stage II extension is well ahead and full scale construction should be under way by the year end. This includes a solvent extraction plant and electrowinning tankhouse at Chingola, a major gas collection and acid plant at Rokana and a new lime plant at Ndola. The programme will call for a major effort by engineering and equipment to the sites on time.

### KONKOLA DIVISION

The water problem has again been the main restraining influence on expanding production. Heavy pumping is drawing down the water table but only at a rate required to maintain the existing scale of operations. Until the planned additional pumping capacity becomes available, little change can be expected. Research into the hydrological conditions is being accelerated.

Deepened drilling between No. 3 shaft and No. 2 shaft continues to expand ore reserves in this area.

The Kansanshi mine, which will form part of this division, is to be reopened and rehabilitation work on the site has been started. It is now clear that Kansanshi ore will be treatable through the solvent extraction plant at Chingola and studies are in hand to determine the best means of transporting the ore to Chingola and the optimum rate of production. The solvent extraction plant is scheduled to come on stream at the beginning of 1974, and the optimum date for commencement of the mining operations by open pit is now being examined.

Copies of this statement with the report and accounts are being posted to Preference Shareholders of the Company on or about 6th August, 1971 and copies will be obtainable from the London office of the company at 40 Holborn Viaduct, ECIP 1AJ, or from the office of the United Kingdom Transfer Secretaries, Charter Consolidated Limited, Kent House, Station Road, Ashford, Kent, from that date.

### IMF CREDIT FOR YUGOSLAVIA

By Paul Lewis

PARIS, August 2.

THE IMF has announced a foreign currency credit equivalent to \$83.5m for Yugoslavia to finance its expected payments deficit in the year ahead and underpin the current stabilisation plan.

A similar \$10m loan has also been arranged for Uganda to compensate for declining raw material exports and a substantial outflow of private capital.

## 3.1% French price rise

BY ADRIAN DICKS

PARIS, August 2.

RETAIL prices in France rose by 3.1 per cent during the first six months of this year, close to the figure of 3.7 per cent forecast for the whole year by official sources in January. At the end of last month prices stood 5.3 per cent above their level in June last year.

All the same, the monthly increase of 0.4 per cent during June represents a welcome slow-

### BROKEN HILL DIVISION

Operations have been satisfactory and in the calendar year 1970 a record tonnage of 51,000 tonnes of lead and zinc was produced.

As experience has been gained on the Imperial Smelting Furnace, it has been found possible to increase the length of campaigns and to maintain the plant by a series of short maintenance shutdowns. The 1970 achievement indicates the result of the present state of the plant is such that no major rebuild appears necessary in 1971.

Depletion of additional ore reserves has offset the annual depletion through mining, but a comprehensive exploration programme is confirming that the base of the orebodies has been defined and that the remaining life of the underground mine is limited to about 12 years.

However, considerable tonnages of metal remain unrecovered in dumps of residues that cannot be treated in the existing plant, and the treatment of these dumps, together with future arrivals of refractory materials, through Waelz Kilns, is under consideration. Tenders for the erection of Waelz Kilns have recently been received and a decision whether to proceed with the project, which would considerably extend the life of the operations, will be made within the next few months.

### INDUSTRIAL RELATIONS

Following a comprehensive reappraisal of job evaluation in the industry, a new wage agreement was signed with the Mineworkers' Union of Zambia on 7th September, 1970. It incorporates an integrated pay structure and improvements in conditions of service in return for measures to improve efficiency. Two wage increases of 5 per cent were granted with effect from 1st November, 1969, and 1st November, 1970, and there will be no further increases until the agreement terminates on 31st October, 1973.

Zambianisation has continued successfully in most departments, but a shortage of qualified Zambians is restricting progress in technical fields. Training continues to be an important feature of the Company's operations and expenditure in this respect is running at K4.5 million a year. It is pleasing to note a considerable reduction in expatriate turnover during the first four months of 1971 from which the Zambian training programme and the industry's overall efficiency will benefit.

Your board attaches the highest importance to the efficient and progressive Zambianisation of the mining industry not only because it is vital to the mainstay of the labour force of such an important industry should be local but also because this movement will continue to induce stability in the labour force and to effect savings on recruitment and other incidental costs. It is therefore the intention, not only to continue with the present programme of Zambianisation but also to seek ways and means of making optimum use of existing manpower through programme—especially designed to enable promising Zambians to aspire to high levels of responsibility. Only if this is achieved will highly skilled employees of the industry be able to devote maximum energies to the mining and complex issues that your Company must be able to address itself to if it is to retain its competitive position.

### SUPPLIES AND TRANSPORT

Transport has been a continuing problem, principally because of long supply routes, overburdened railways and port congestion.

This has affected the Company's operations in a number of ways—by slowing completion of projects because of the delayed arrival of materials and equipment, by increasing the copper tonnage in the pipeline because of port congestion, and by raising costs of transport as a result of diverting mine traffic from rail to road.

In the long term the new Tanzam railway line will improve the flow of traffic (given adequate facilities at Dar-es-Salaam) and extra carrying capacity will become available as a result of Zambia's increasing self-reliance in certain fields, notably coal, fertilizers, liquid fuels, cables and explosives.

### EXPANSION PLANS

Considerable progress has been made and expenditure incurred on the Company's expansion programme has increased output of production from approximately 400,000 tonnes per annum in 1970 to 500,000 tonnes in 1971. At present some 250,000 tonnes of annual production comes from Chingola ores, 100,000 from Rokana and 50,000 from Konkola. By 1974 Chingola is expected to contribute 310,000 tonnes, Rokana 125,000 tonnes and Konkola, including Kansanshi, 65,000 tonnes. I am confident that the decision to undertake this expansion at a time when the market appears weak is still the correct one, not only because I believe the long-term prospects for copper are reasonable but also because it is expected that the efficiency of your company will be maintained and improved upon.

### CONCLUSION

The satisfactory results during the period under review can be attributed to favourable copper prices, good industrial relations, the establishment of a constructive partnership between Mindero, as the majority shareholder, and the operating and management companies and to the excellent relations which continue to exist with the Government.

The price of copper, which is of decisive importance to the industry and the economy of Zambia, has been much lower this year, and the immediate outlook is uncertain. In the circumstances, the four major copper exporting countries, the Congo, Chile, Peru and Zambia have, through CIPEC, considered means of ensuring stability in the world copper market. All four countries use the LME cash settlement price for sales purposes and although there have been marked fluctuations in this price in the past five months no concerted action has yet been considered necessary. I am optimistic that if the need should arise, CIPEC will not hesitate to act in the interests of the mining industry.

Notwithstanding the current market outlook the Company's expansion plans are not being altered and the programme, which has already been initiated, is going ahead as originally planned. The capital cost of the additional 100,000 annual tonnes is likely to amount to some K150 million—an ambitious expansion by any standard. Although it is proposed to finance this increased output by borrowings and suppliers' credits, it will nevertheless be necessary to continue making substantial appropriations of profit to meet capital expenditure on existing operations as well as the expansion programme.

Cost inflation continues to cause concern and every effort is being made to cut further increases in capital and operating costs. It is fortunate that most of the Company's increased output of copper will come from low cost sources, in particular the treatment of low grade concentrate stockpiled at Chingola and the treatment of residues using new metallurgical techniques.

With all the uncertainties surrounding future copper prices, the viability of this Company, and to a large extent of our country itself, will depend upon our ability to remain competitive with other copper producers. I am confident that your Company will remain competitive and a special effort is already under way to reduce costs. It is also envisaged that in the long run significant economies will be realised from the closer co-operation being built up between your Company and the other major copper producing company as a result of Mindero's holding a 51 per cent holding in both companies and the more integrated approach towards the mining industry which this renders possible.

Finally, let me take this opportunity of thanking my predecessors, Mr. Andrew S. Wardman, fellow directors of the Company, the management, employees and the Mineworkers' Union of Zambia for the work they have put into making the Company's first year the success that it has been.

Lusaka, 2nd August, 1971

SALIENT STATISTICS			
15 Months Period Ended 31st March, 1971			
Copper production — Tonnes	478,983		
Copper sales — Tonnes	478,983		
— revenue per tonne	K916		
Total sales revenue — all metals	449		
Profit before taxation	204		
Profit after taxation	97		
Dividends, net	51		
Capital expenditure	43		
At 31st March, 1971			
Capital employed	337		
Ordinary shareholders funds	306		
Number of employees	30,400		

### COMECON PLAN FOR CONVERTIBILITY

MOSCOW, August 2.

SOVIET officials were unable to confirm reports that the rouble would become convertible against other Eastern European currencies.

The Polish Communist Party newspaper, Trybuna Ludu, reported the USSR and its partners in the Soviet bloc trading group, Comecon, had decided to fix co-ordinated exchange rates for their currencies. Reuter





## Sir Alec ready to visit China

THE FOREIGN SECRETARY, Sir Alec Douglas-Home told MPs yesterday that he would very much like to visit the People's Republic of China at some time convenient to the two countries.

The Foreign Secretary was replying to questions about China's admission to the United Nations, during which Sir Alec had said that he very much doubted if the "important question" of motion would be moved this year.

### Further progress

Sir Alec told Mr. Frank Ailam (Lab. Salford East): "I think we shall be faced with another motion of a different kind as yet unfurled."

He said Britain had consistently voted for the admission of the People's Republic of China but there was only one seat for one country in the UN organisation. Britain's relations with China had shown a recent improvement which was welcomed.

"We are anxious to make further progress. Discussions about the exchange of ambassadors which have taken place between the British Government and the People's Republic of China were resumed earlier this year and are continuing."

Mr. Denis Healey, "shadow" Foreign Secretary, said he understood there was no other major obstacle to the restoration of full diplomatic relations—the Government's maintenance of a consulate in Taiwan. "Is any change in this position contemplated?" he asked.

Sir Alec told him: "The consulate is not accredited to the Government of Taiwan. At the moment I would rather not add anything to what I have said just now."

### Rhodesia

On the question of Rhodesia, Sir Alec said he would have to be quite certain, before meeting any official representatives of Rhodesia, that they were talking the same language.

"I am not quite sure yet," he added.

Earlier he said that Britain was still seeking to ascertain whether an acceptable basis could be found for negotiation of a settlement on the five principles. For this purpose there had been exploratory talks with the regime.

Mr. Patrick Wall (C. Hatteridge) asked when the talks would reach Ministerial level.

Sir Alec said he hoped Lord Goodman would be able to have another meeting which would take matters further, but he was in discussion with the Rhodesian Government about this.

## Planning role for aviation authority

PROVISION for future planning of airports by the Civil Aviation Authority was added to the Civil Aviation Bill when it received its third reading in the Lords yesterday.

Lord Beswick, from the Opposition front bench, had moved an Opposition amendment making similar provision but said he would be glad to withdraw it if it were covered by a Government amendment.

Lord Sandford, Under Secretary, Environment, said the Government accepted that advice about aerodromes "in the sense of drawing up what is generally referred to as a national airports plan is a matter of sufficient importance to merit specific mention in the Bill."

Lord Beswick said it seemed odd that the "government should have left it to the last stage of the Bill in the second chamber before inserting anything about the planning of airports."

"However, better late than never," he said.

### Defeat

THE GOVERNMENT was defeated by four votes in the Lords on an amendment to the Housing Bill.

An amendment by Lord Derwent which provides that financial assistance for house improvements should be available irrespective of when the application was made for such assistance, was carried by 86 votes to 82 during the Bill's committee stage.

## BTA PUBLISHES MUSEUMS GUIDE

A new guide book to nearly 1,000 exhibits in London's museums has been published by the British Tourist Authority. The 20-page booklet, National Museums in London, lists exhibits most likely to be of interest to visitors. Section deal with 100 Things to See, 100 Famous Names, Countries, Civilisations and Styles, and details of how to get to museums and their opening hours.

National Museums in London is available for 25p, including postage, from the British Tourist Authority, 64, St. James's Street, London, S.W.1.

# Noisy end to UCS debate Davies: investment the real problem

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

Rejecting the Opposition demand for a select committee to inquire into the Upper Clyde crisis, Mr. John Davies, Secretary for Trade and Industry, yesterday stood firmly by his announced decision for the future of the yards. Disclosing his intention to visit Clydeside to-day with Mr. Gordon Campbell, Secretary for Scotland, for discussions in Glasgow's City Chambers "with representatives of all concerned," Mr. Davies gained a quieter bearing than had been expected in the Commons emergency debate on the situation.

Vehemently denying the callousness

imputed to him by the Opposition over the prospective unemployment on the Clyde, the Minister insisted that the real problem was to increase investment and that the Government's proposals were intended to do just that.

But from the Opposition front bench, Mr. Anthony Wedgwood Benn and Mr. William Ross delivered scathing indictments of Mr. Davies, of Mr. Heath and of the Government, accusing them of taking a politically motivated decision that could lead to a total spread of unemployment for perhaps 15,000 men. The debate wound

to a noisy close with the two sides of the House clashing on the facts and on the needs of the situation.

In the Opposition view the Government solution made no industrial sense and showed no social responsibility. In the Government's opinion, the Labour Administration—Mr. Benn in particular—had assembled in UCS an ill-assorted group doomed to failure. Now the grim economic realities and £22m. of debts had to be faced if there were to be any possibility of future expansion. It was an assessment that brought angry interruptions

MR. JOHN DAVIES thanked Mr. Benn for referring to the "recent distressing events which took place at my home."

There were shouts of protest from the Opposition when he added: "One thing which has distressed me greatly in the last few days has been that in any sense I personally would have lacked sympathy for the situation which has arisen. I think anyone who knows me would very readily recognise how unlikely that is."

### Irrational

"I have always taken the view, and took it no less last week, that expressions of sympathy are one thing, but that real steps are another in order to alleviate the situation."

He would try to elucidate rather more of the practical steps which were available and had been put to the Government, how they were devised, why they were devised and the reasons that the Government decided to adopt them.

He also wished to review some of the background of the cost of this "industrial disaster" so that the responsibility could be fairly attributed where it correctly lay.

Mr. Davies said he had been astonished to read some of the remarks about the expert group which had advised the Government. "They are, after all, from my point of view a very fine lot."

Mr. Davies said it seemed to him irrational to say that this group of people, three of whom were Scotsmen, with considerable and personal interests in the interest of Scotland, had devised what had been called a "politically motivated report."

"This seems to me to be utterly divorced from any reality," he added.

Referring to the "so-called Ridley report" Mr. Davies said that as far as he was concerned he had heard of it for the very first time last month in The Guardian. He did not see how it was influenced by it.

Mr. Davies said he could not grant credit guarantees to UCS last autumn because of the Shipbuilding Industry Act which prevented him from doing so.

"To see a group try to pretend that this report was politically motivated and we have followed some underground and disagreeable course of action is as far from the truth as to be a mockery."

The report had been brief because the group considered what should be published was a succinct statement. Background material existed in extenso. Consultation was very extensive.

"What has been published is, in fact, the most important thing, which was to point clearly to the circumstances of the disaster and what has been the sole means of escaping from them."

On the physical content of the yards themselves Mr. Davies



DAVIES... best proposal in the circumstances.

said: "These yards were already at the time of the formation of UCS in 1967 either obsolete or obsolete in their facilities. Since then virtually nothing has been done in order to make them more efficient either in themselves or in their facilities."

Mr. Davies said that in the course of the last 18 months there had been an improvement in terms of steel throughput per man. But that improvement had been at the cost of keeping the cost per ton of steel handled, exactly the same as it was before.

"On the basis of the order book as it stands to-day there is about a year's work ahead for Clydeside and Scotland, and for the Government enough to go a little longer, but not much. Let's make no mistake about it."

The prospects of improvement were poor because the shipbuilding industry was in considerable difficulty. The prospect of bringing in a considerable degree of new orders was very remote.

He said he understood and sympathised with the emotions of the men were taking in UCS.

"I understood the emotions of dismay and shock, but I am quite sure they are making a fatal mistake, and they are doing things which will lead, in the end, to their own great disadvantage."

"I greatly deplore what Mr. Benn has been doing in inciting the men to take this action."

When Labour MPs shouted at him "Why don't you go there," Mr. Davies replied: "It may interest you to know that it is my intention to go there to-morrow. I look forward to going there with the Secretary of State for Scotland, Mr. Gordon Campbell, to talk to anybody who reasonably and sensibly wishes to see the activity of shipbuilding pursued on the Clyde."

Mr. Davies said he realised that even if the project did

materialise the impact of the UK failure was going to be very grave indeed. Whatever he feared there would be serious consequences and redunancies on the Clyde.

"I deplore it as much as any body but I believe what has been put forward is the best proposal in the circumstances."

The real problem was to increase investment and the Chancellor's measures were devised nationally to achieve this. "The first issue to be faced is to get the management situation right. Until that is done all the rest of the problems become secondary."

"The first thing I shall therefore look to is to find adequate management to replace what has been in the past inadequate management."

Mr. Davies said the sympathy and understanding he had for the people of Clydeside did not extend to Mr. Benn.

"I think he has been, in some sense, the evil genius of the building, as indeed the evil genius of a number of other industrial ventures in this country."

"He sponsored and encouraged the whole ill-fated venture. It was behind the whole operation that saw the assembly of a very ill-assorted group into the Upper Clyde Shipbuilders."

"Fortunately he failed to entice Lower Clyde shipbuilders into the consortium and if he had not enticed Yarrow earlier this year, we would have had a catastrophe on the Upper Clyde much more serious than the one we have to-day."

This amphyonic concern has been loaded with every form of accruing liability, many of which were taken up well after the company was formed. No orders were taken at price which, even in 1968, were showing manifest losses to come.

"The management for whom Mr. Benn was responsible, failed absolutely to devise adequate methods in all sorts of parts the business venture."

### Influence

Mr. Benn intervened: "There is any truth in any of what you say about my part, why do the Government not agree to select committee to investigate the matter?"

Mr. Davies said: "You can escape your responsibility. It there and I am bound to say that your present behaviour an affront to all that has gone before."

"The record has been greatly mis-stated by you that simply had to be put straight. The real need now was to get what could be effective reinstated out of this 'dreadful disaster'."

"I am quite convinced that the report I have before me is sensible and practical document which we would be so well to try to get implemented."

"I would very much enjoy all Members here and people who can bear influence in the matter to try to bring it about

## Benn: Government wasting assets

OPENING the debate Mr. Benn said: "I would like, on behalf of the whole House, to express my congratulations to Mr. Davies for having escaped injury in the bomb attack upon his house."

"I am sure that MPs would also wish to be associated with sympathy for the woman hurt in the attack and denounce in strong language any attempts to solve our domestic problems by violent means."

### Report

Mr. Benn said the Government's decision announced on Thursday would have the effect of creating on Clydeside a disaster area, even worse than that to be found in the areas of highest unemployment in Northern Ireland.

The Government had justified its decision by reference to the Ridley group report issued as a White Paper which, he said, was the most inaccurate and misleading presented to Parliament for many years.

It was not true to say, as was claimed in the report, that the initial structure of UCS was totally mistaken.

If the report was true, and it was not, the Government should lay all the responsibility on the last Labour Government. "The plain truth is that in 1968 British shipbuilding as a whole was on the point of collapse."

"If Labour had not intervened to save Fairfields it would not be possible for the Government now to come forward with a proposal based on Fairfields as the centre of a shipbuilding group."

The Government of the time had supported the formation of UCS for employment reasons—there were 15,500 men working in the yards of Upper Clyde, supported by another 20,000 in special industries.

"The possibility of 30,000 jobs disappearing was quite unacceptable to us. We were not prepared to see men rotting on Clydeside if there was a possibility of having a viable group there."

"On any cost-benefit study of the alternative of allowing the men to rot, or building the new group, it made a lot more sense to go for UCS than let the men be paid by the Government to do nothing."

### Item

"With hindsight I have no doubt now that it would have been better if the previous Government had taken the whole industry into public ownership at the time we launched the group."

"We could have then re-equipped it, rationalised it and swept aside any of the old ogres."

It was astonishing to him that Lord Robens, who had had the experience of the National Coal Board, would have allowed his name to be put forward as signing the advisory group report.

Mr. Benn said that if, in the light of what he had said to the House, the Government believed there was any substance in the charge it had made against the previous Government, the case for a select committee was absolutely unanswerable. He and his colleagues could then be brought before the committee and subjected to cross-examination.

Mr. Benn said that, on the present Government's record, the

first item was bound to be the so-called Ridley Report, printed in The Guardian and written before the election in 1968 in which Mr. Nicholas Ridley from Under-Secretary Trade and Industry had made four recommendations.

The first had been to give no more money to UCS, the second to allow Yarrow to leave UCS if it still wanted to, and third, at the bankruptcy of UCS, would be to put in a "Government butcher" to cut up UCS and sell it off cheaply.

Finally, after liquidation or reconstruction, the Government could sell off its holding in UCS for a pittance if necessary.

From October to February this year, 80 per cent of payments due to the group—amounting to £33m.—had been withheld on the orders of the Secretary of State.

"The day on which the Government announced to UCS that it was going to resume these payments was February 3. Had it not announced it on February 3—the day on which the bankruptcy had been announced on the same day—February 4—as the bankruptcy of Rolls-Royce."

"Even it was unable to contemplate the bankruptcy of Rolls-Royce and UCS on the same day."

In Clydeside said 5,000 to 6,000 men could be directly affected on Clydeside. If they allowed a ratio of two-to-one in relation to the supply industry, there could be something like 15,000 people made redundant by the Government's decision.

Mr. Benn said about one in three people worked to UCS and the local authority received £100,000 in rates a year. Housing subsidies would have to be paid to the unemployed.

Many shopkeepers would also be affected. Steel workers on Clydeside were also faced with redundancy and a total of £40m. gross trade was to be taken out of the Scottish economy.

### Support

"Other shipbuilding companies throughout the country are directly endangered by the fact that this Government is taking the action which is now giving no support whatsoever to its shipbuilding industry."

Between £5m. and £15m. would have to be paid by the Government in redundancy pay and unemployment money. There would have to be a total for the new company and money to the liquidator.

"It looks to me as if the Government has embarked on a policy involving the expenditure of between £22m. and £48m. in lieu of giving the £25m. which only one of my advanced country would maintain itself in June of this year."

The men on the Clyde had decided to fight for support instead of being put on the scrap heap. "No one—not a single member of the cabinet—had only one of my advanced country to tell the men of the decision they have made."

"The men are not striking, they are working and I support 100 per cent their decision to work in the yards in protest against the action the Government is taking."

The men were also being supported by the unions, the local authorities and the Churches in Scotland. Over the years he had seen the labour force in Clydeside turn from a "demoralised, divided group engaged in de-

### Epitaph

"The charge that I make on behalf of the Opposition to-day is a very grave one. It is that the Prime Minister and the Government was determined to destroy UCS from the start."

"It consistently misled the House as to the facts and the intentions of the Government. It is wasting priceless assets—the skill of the people who work in UCS and at a far higher cost to public funds than would be necessary if the experiment was allowed to continue."

"The Government is deliberately sentencing thousands of people to a slow and living death of long-term unemployment in the wasteland of West Central Scotland which the Government has decided to create."

"The Prime Minister's epitaph will be that he is the man who forgot the people, and the people will never forgive him for that."

## Report a political document, says Ross

MR. WILLIAM ROSS, winding up the debate, referred to a meeting he had had with the four men who compiled the report on Upper Clyde.

There had been no indication in these discussions that they would "put pen to such a report," he said. "The report read carefully, does no credit to those gentlemen. It is a political document."

Every single thing had followed "the plan" laid down in a report given to the Conservative "shadow" Cabinet by Mr. Ridley.

The hiatus between November and February in relation to the credits was because there were certain difficulties in living off Yarrow.

"How on earth does Mr. Davies expect U.K. to carry on in a difficult time, to build up orders when at the same time he is holding up credits? He knows £25m. worth of credits were held up from late in October until February."

Mr. Ross said his own outrage and anger had not let up as a

result of anything Mr. Davies had said in the debate. "He seemed to think we should have taken it calmly."

He welcomed the fact that Mr. Davies and the Scottish Secretary were going to the Clyde. "They will not need a bodyguard. But I wish they had gone before they made this decision."

He continued: "Scotland has never had a worse Government. The Government has been playing ducks and drakes with the economy of Scotland for the past 14 months—lame ducks and weak ducks."

"The whole spirit and economy of Scotland is at stake here. We do not want to see Scotland turn again into a reservoir, a pool of labour for the Midlands, London, and the south-east. If the Government want a better tomorrow for Scotland, it should test up this report and save UCS."

Mr. Gordon Campbell said:

"In this situation the last Government must bear a large share of the responsibility."

"The group of advisers said that UCS was a totally mistaken initial structure. UCS was set up at the instigation of Mr. Wedgwood Benn, and few will disagree with the four advisers that it was ill-conceived."

Scotland now had to cope with the results of this policy and try to mitigate its social effects.

"It is clear that about 1,000 jobs in shipbuilding will become progressively available elsewhere on the Clyde from now on, and there are prospects of more, depending on how the liquidator is able to dispose of yards."

The group of advisers had been men who fervently wished to see Clydeside and Scotland prosper. Shouting about Labour jeers and cries of "Out, out," he went on: "Nothing would have been better news to me or to the

Government if this group had recommended a full continuation in all the yards of the total work force."

"This would have been universally welcome. But what they have done is to set out clearly the facts as they have found them and proposed the only workable future reconstruction they consider feasible."

Having received this report it would have been deceiving ourselves and deceiving Scotland to have rejected it."

The advisers had recommended a scheme under which shipbuilding on the Upper Clyde could continue. It would be folly, he added, to nullify the prospect of 2,500 firm jobs with the possibility of future expansion.

Mr. Campbell said a report in the Glasgow Herald said the Scott-Lithgow group had reacted sharply to Mr. Benn's suggestion that they would be happy to see higher unemployment on the

Upper Clyde so that they could recruit from there. "This has been dismissed as ridiculous."

"You have caused quite enough damage to us in Scotland by your mistakes and bad judgment when you were a Minister. On top of the follies you committed on the Upper Clyde you have now added a suggestion which I can only describe as diabolical."

Mr. Benn interrupted to say that when the report in the Glasgow Herald had been brought to his attention he found there had been a misprint of a single word in Hansard which would be corrected in the bound volume. He had dealt with this fully in Scotland.

Labour MPs called "withdraw" and Mr. Campbell said: "If it is incorrect I will draw until I have seen the corrected version."

The Opposition motion was defeated by 280 votes to 247.

## Swing in favour of Common Market 'after Wilson drops it'

THE SWING of public opinion in favour of the Common Market had occurred since Mr. Wilson had come out against it, said Sir Norman St. John Stevas (C. Chelmsford) in the Commons.

He asked Britain's EEC negotiator, Mr. Geoffrey Rippon: "Can you confirm whether this concentration of events is purely coincidental?"

Mr. Rippon: "These are troubled waters into which I do not choose to delve at the moment."

He added that it was obvious that the more people knew about the Community, the more anxious they were to join.

Mr. Tom Price (Lab. West Houghton) said: "Since a number of important questions were swept under the carpet when you were anxious to bring a cocked up agreement to the House a few weeks ago, can you say what diplomatic activity will be taking place during our recess on the liquidation of sterling balances, the abandonment of sterling as a reserve currency, the fishing agreement and other matters?"

Mr. Rippon said there would be a report to the House on some matters, but sterling would not come up in the negotiations. There would be another Ministerial meeting on September 21 when, no doubt, fishing would be considered again. But he could not guarantee that the matter would be settled then.

"Far from being cocked up, the agreements have been very

carefully considered and have always been reported in full to the House."

Mr. Denis Healey, "shadow" Foreign Secretary, asked: "Will you explain why the Government has suppressed the figure for foreign exchange costs arising out of tariff changes on industrial goods?"

He said Mr. Rippon had given a figure of £200m. or £300m. in December and had confirmed

this privately as recently as June 24. But, claimed Mr. Healey, the figure had been suppressed by the Government against the advice of Mr. Rippon.

Mr. Rippon said: "This matter did not arise in the negotiations. They were concerned with the contribution to the Community budget. You have no knowledge of what advice I gave the Cabinet. I would not follow your line."

Every single thing had followed "the plan" laid down in a report given to the Conservative "shadow" Cabinet by Mr. Ridley.

The hiatus between November and February in relation to the credits was because there were certain difficulties in living off Yarrow.

How on earth does Mr. Davies expect U.K. to carry on in a difficult time, to build up orders when at the same time he is holding up credits? He knows £25m. worth of credits were held up from late in October until February.

Mr. Ross said his own outrage and anger had not let up as a

## London Clearing Banks' statements

The following table, compiled from the summary issued by the Committee of London Clearing Banks, shows the position of each of the clearing banks on July 21, 1971. In the percentage columns are given the ratios of the respective items to gross deposits—

	Barclays			Coutts				Lloyds				Midland				Nat. West.			Williams			Totals	Changes on				
	£m.	%		£m.	%			£m.	%			£m.	%			£m.			£m.	%		£m.	June, 1971	July, 1971	%		
<b>LIABILITIES</b>																											
Capital .....	126.3			1.0				64.9				64.7				152.3			13.5			423.2	—		+ 3.9		
Reserve funds .....	253.7			5.5				211.1				147.5				225.6			32.9			576.2	+ 11.0		+ 98.8		
Provisions .....	26.2			0.9				20.7				31.2				31.0			3.5			113.6	+ 40.9		+ 40.8		
Gross deposits .....	3,288.9			79.7				2,073.0				2,279.3				3,206.9			314.9			11,212.3	+282.1		+ 941.1		
<b>ASSETS</b>																											
Cash & balances with Bk. of E.	261.7	8.0		6.3	7.9			157.5	7.6			183.4	8.0			278.0	9.7		25.1	8.0		912.0	8.1	+ 17.2	-0.1	+ 36.1	-0
Call and short money .....	436.4	13.4		15.5	19.4			232.2	11.2			248.8	10.8			456.6	14.2		58.0	18.4		1,445.5	12.9	-117.7	-1.4	+ 115.7	-
Bills discounted:																											
Treasury .....	1.3	—		0.9	1.1			131.7	6.8			43.0	1.8			23.2	0.7		—	—		202.1	1.8	- 6.8	-0.1	+ 91.0	+0
Other and re- financable edts .....	288.8	8.9		1.9	2.4			187.9	9.1			274.7	12.1			254.7	7.9		17.4	5.5		1,023.4	9.1	+119.7	+0.8	+382.0	+1
Liquidity ratio .....		30.3			30.9				34.2				32.9				31.9				31.8		32.0			0.7	
Special dep'sits .....	111.1	3.4		2.6	3.3			70.9	3.4			78.3	3.4			103.7	3.4		10.9	3.5		383.5	3.4	- 1.5	-0.1	+134.1	+1
Cheques for collection, etc. ....	134.4	4.1						86.4	3.7			83.5	3.7			130.8	4.1		17.1	8.4		448.6	4.0	+ 18.9	+0.1	+ 6.8	-0
Investments .....	355.7	10.8		9.5	11.9			245.9	11.8			264.7	8.0			386.3	12.0		13.8	10.1		1,233.9	11.0	+ 29.9	—	+111.7	+0
Advances .....	1,845.0	56.6		41.5	52.1			1,112.9	53.7			1,249.7	54.9			1,763.4	53.0		184.3	58.6		6,167.8	55.3	+278.6	+1.1	+164.4	-3
<hr/>																											
	Composition of totals			Changes on						Composition of totals			Changes on														
	£m.			June, 1971			July, 1970			£m.			June, 1971			£m.			June, 1971			July, 1970					
Net deposits† .....	10,354.8			+254.9			+902.2																				
Gross deposits:																											
Current accounts .....	6,000.7			+139.8			+566.3															488.8	+106.1		+161.7		
Deposit accounts .....	4,858.6			+106.0			+346.0															536.6	+ 13.6		+120.1		
Other accounts* .....	353.1			+ 28.3			+ 28.8																				
Cash:																						1,032.6	+ 33.1		+101.8		
Cash in hand .....	692.9			+ 6.6			+ 32.8															201.3	- 3.2		+ 10.0		
Balances with Bank of England .....	219.1			+ 10.6			+ 3.4																				
Call and short money:																											
Discount market .....	1,011.3			-130.5			+ 83.5															6,167.8	+278.6		+164.4		
Other .....	434.2			+ 13.2			+ 30.2															209.0	+ 8.4		+ 32.1		
																						5,988.8	+270.2		+123.3		
																						168.4	+103.1		+ 42.5		
																						5,820.4	+167.1		+ 89.8		



Other Overseas News

Anglican Dean pleads not guilty

JOHANNESBURG, Aug. 2. THE ANGLICAN Dean of Johannesburg the Very Reverend Gonville French-Beytagh pleaded not guilty in Pretoria today to charges under the Terrorism Act. His counsel, Mr. R. Kentridge, rose shortly after the start of proceedings of the summary trial at Pretoria's Old Synagogue to say that three applications were to be handed in. These concerned a change of venue of the trial, the commissioning of a psychiatric examination, and the question of a certain statement.

Referring to the Defence and Aid Fund in London, Mr. Kentridge said the Dean admitted having received money but claimed he had done so to "alleviate the distress of politically detained people and, on occasion, to pay for their legal defence."

In his opening address, Mr. Liebenberg for the State alleged that money from the Defence and Aid Fund had been used to help the National Union of Students to finance the entire trial of Dr. Willie Mandela, wife of Nelson Mandela who is serving a life sentence on Robben Island, other people to benefit from the money, he said, included Mrs. Helen Joseph and Father Cosmas Desmond for his book "The Disfranchisement of the Coloured People." Mr. Liebenberg said that over the years the Dean had paid out Rand 50,000.

Mr. Liebenberg alleged too that the Dean was impressed with the methods of the Black Power movement in America in their fight against the whites. The Dean's organisation had used the slogan "one man, one gun."

According to Mr. Liebenberg, the Dean said that placing pins in computers would cause chaos in commercial life and that the Black Power movement would achieve nothing as long as it operated within the law.

Among the charges against the Dean are that he: Possessed pamphlets supporting the violent overthrow of the State; encouraged people at a certain gathering to bring about chaos in South Africa by violent means; and prepared written notes for the propagation of violent revolution.

Warsaw Pact condemns Sudan "reign of terror"

MOSCOW, Aug. 2. COMMUNIST Party leaders of the Soviet Union and six Warsaw Pact nations held an unannounced summit conference in the Crimea to-day and condemned the "reign of terror" in the Sudan, the Tass News Agency said.

The brief report of the summit said the seven Communist leaders happened to be on holiday in the Crimea and met to discuss a wide range of questions including the "reign of terror" in the Sudan, the European Security Conference and disarmament talks.

They included Leonid Brezhnev and President Podgorny of the Soviet Union, Janos Kadar of Hungary, Todor Zhivkov of Bulgaria, Edward Giersek of Poland, Klement Gottwald of Czechoslovakia, Eric Honecker of East Germany, and Yumzhagin Tsedenbal of Mongolia. President Ceausescu of Rumania was the only party leader absent.

The highpoint of the Tass report was a strong condemnation of the Sudan Government, in which the six Warsaw Pact countries endorsed the strong line taken by the Soviet Union.

It said: "The participants expressed serious alarm over the reign of terror unleashed against the Communist Party and other democratic organisations in the Sudan. They strongly condemn the lawlessness and arbitrariness perpetrated by the Sudanese authorities, which is exploited by the forces of imperialism and reaction against the interests of the Sudanese people."

The statement foreshadows a major split between the Communist bloc and the Sudan and may have serious repercussions on the Communist bloc's relations with other Arab countries. Egypt announced "complete support" for the policies of President Nimeri to-night and its rejection of "any form of interference in Sudan's domestic affairs." The announcement was made on the semi-official Middle East News Agency.

Richard Johns writes: President Nimeri's Government announced to-day that Mr. Mikhail Orlov, the second senior Russian diplomat in Khartoum, and Mr. Sotnikov, the Bulgarian Ambassador, have been ordered to leave the country within 72 hours.

In declaring them *persona non grata* and expelling them, President Nimeri appears in the first instance reacting against what his Government has described as the "Naseri" campaign by the East European Press against the execution of Marxist leaders in the Sudan. Khartoum has described it as "a hostile act and an unjust intervention in a domestic matter."

But he may be preparing the ground for accusing the Soviet Union and Bulgaria of having collaborated actively in the July 18 take-over through their embassies in Khartoum.

The fact that Mr. Anatoly Nikolaev quickly made contact with the leaders of the abortive coup is resented by President Nimeri and his loyal "Free Officers."

The decision to order the diplomats out of the country was apparently taken at the same Revolutionary Command Council meeting that decided on the recall of the Sudan ambassador accredited to Moscow and Sofia.

On Thursday President Nimeri said that there was then, no proof of involvement by any foreign power, but that an investigation was taking place.

Oman rebels' new plans

BEIRUT, August 2. THE POPULAR Front for the Liberation of the Occupied Arabian Gulf (PFLAG), which is leading an armed rebellion in Dhofar against Sultan Qabus of Oman, is to form a Marxist-Leninist political party to lead the leftist struggle in the Arabian Peninsula and in the Gulf region in co-operation with the National Liberation Front in Southern Yemen.

This was one of the main decisions adopted by PFLAG's annual congress held in Dhofar late in June. A statement issued by the congress was published in leftist newspapers here to-day. It declared that "the main mission at present is to expand the armed struggle and double the number of strugglers taking up arms."

The conference decided that all property in the "liberated areas" in Dhofar is to become "public property" where Agrarian reforms are to be applied, slavery in all its forms in these areas is to be abolished, the statement announced.

In another declaration, PFLAG strongly condemned the newly-established federation of six Gulf emirates and declared that its rebels along with other "strugglers" in the region will seek to destroy it.

Pakistan looks at British links

KARACHI, August 2. SINGH said that if Yahya made the successes of East Bengal freedom fighters an excuse for starting a war with India "undoubtedly our defence forces will give heating reply."

INDIA ACCUSES OIL GIANTS

By Our Own Correspondent

NEW DELHI, August 2. THE INDIAN Oil Corporation's managing director Mr. Kamaljit Singh to-day accused Burmah Shell and Esso of creating deliberate difficulties when India was recently in world market to import 1m. tonnes of fuel oil.

Mr. Singh issued a statement that Esso did not answer India's query on the matter and Burmah Shell quoted an unusually high price of fuel oil at a "reasonable price" but Mr. Singh did not disclose the country concerned.

Our New Delhi Correspondent writes: External Affairs Minister Swaran Singh and Defence Minister Jagjivan Ram to-day took note of "warlike preparations" by Pakistan and told Parliament that adequate precautionary measures were being taken by the Indian Government.

As tension between two countries heightened as a result of threatening statements recently by Pakistan President Yahya Khan to reporters, Mr.

CHINA Professionals on stage again

BY COLINA MACDOUGALL

PRESIDENT NIXON'S enterprise in getting himself invited to Peking is a real breakthrough, and so is China's ready response. China's outward face these days is remarkably urbane, and even at home the eddies from the Cultural Revolution are beginning to die away.

A year after unofficial reports from Peking said that a meeting of the National People's Congress was imminent, it has now apparently reached the final planning stages and should soon take place. All but four of the major provincial Communist Party committees (which are the highest policy-making bodies in each area) have been re-established after the Cultural Revolution debacle. Admittedly they did not meet the target date of July 1, the fiftieth anniversary of the foundation of the Chinese Communist Party, but the bulk of rehabilitation has been done.

The trend appears to be strongly in favour of a moderate line at home as well as in foreign policy: there has been some deadly fighting at top levels, both in Peking and in the provinces, but the centre rather than the Left has clearly won.

The moderation comes through forcefully in the editorial published to celebrate the anniversary on July 1. It gave the "definitive" 1971 version of the party's history and Chairman Mao Tse-tung's correct role in it. Its calm and lucid tone was a long way from the heated voices of the Cultural Revolution. It reiterated yet again the prevailing policy of reconciliation with party members who made mistakes in the past but have since repented. It urged victory over the Left tendency which opposed this kind of compromise, only the most recent in a long series of implied criticisms of the radical Left.

The editorial did not deal much with the Cultural Revolution itself (readers were referred instead to Vice-Chairman Lin Biao's political report to the party congress last year), but it did indicate that a good many people in China wonder if that chaotic movement was strictly necessary. The editorial justified it because it had aroused millions of people to revolution, while the



Mr. Chou En-lai

chaos was blamed on "counter-revolutionaries" and the bourgeoisie." Thus the editorial managed to stick to an orthodox Marxist line while condemning extremes of policy. This is a marked characteristic of the

Po-ta and Kang Sheng, are a mystery: elected last year to the inner sanctum of political power, the five-man Politbureau Standing Committee, they are today seldom seen. Chen, once Mao's secretary, has not appeared since August last year, and Kang Sheng, though he appeared in June when the Romanian government delegation visited China, has been otherwise invisible since December. He has missed many functions that his rank and office would lead one to expect him to attend.

Still more mysterious, Hsieh Fu-chih, former Minister of Public Security and a key man in the Cultural Revolution, who ended up as boss of Peking, made only a fleeting appearance to greet the Romanians, his first since March last year. Named first secretary of the new Peking party committee this spring, he has played no part in its functions and his deputy has taken his place. It is possible that he and Kang are unwell, especially as figures who were not present at the May Day celebrations in Peking were excused as too ill or too busy. However, it is curious that casualties among top leaders should be so relatively high. It is not easy to guess what political motives could be behind Hsieh's disappearance, since he is not a radical Leftist, but he clearly played an important part in the Cultural Revolution and must have made enemies during it.

In the provinces too the prominent figures who were identified with radical leftism or factional fighting have been left out of the new party committees. The military predominance in the temporary administration which was set up to restore order during the Cultural Revolution has been maintained. A good many former government and party officials have been rehabilitated, and the workers and peasants who were supposed to rise to the top have quietly disappeared from view. With the notable exception of Shanghai, where the two leaders who surfaced in 1967 have retained their power, the new party committees look like an alliance of the army and the conservatives. The Chinese press no longer talks, as it did in the early days after the Cultural Revolution, of a "three-way

alliance" of military, officials and the "masses", but of an alliance of old, middle-aged and young, a formula which cuts out the embarrassing presence of workers, peasants and students.

At the grass roots, party rehabilitation is also progressing, and may well be achieved in another few months. Low-level party leaders have been put through their paces in order to reform their attitudes, although in most cases there cannot have been much doubt of the eventual outcome as Peking's message over the last two or three years has been that only a fraction of the old officials were really bad. Most of them could be, and have now been, reformed through a spell on the farm or the workbench, and are resuming their old jobs.

As the Leftists leave the Peking stage, it is taken up more and more by the bureaucrats. At the hub of these is Premier Chou En-lai whose control of domestic affairs, even though shared with the army, must be much greater than before the Cultural Revolution. Chairman Mao has withdrawn from the conduct of daily events. Previously Chou had presumably in reversion with the head of state, Liu Shao-chi, and other important figures who vanished in the turmoil; he was also surrounded by a powerful team of administrators such as former Ministers Chen Yi (foreign affairs) and Li Fu-chun (planning).

To-day he dominates the entire Government, and works with a younger, much less influential team. His power in the last analysis depends to some extent on the army, but throughout the Cultural Revolution and later, the military backed up the moderate line, and he and they seem to share the same goals. In the army, with the possible exception of Vice-Chairman Lin Biao, Minister of Defence and Mao's designated successor, there is no-one to touch him for prestige, and Lin himself is a shadowy figure whose degree of involvement in policy-making is unknown. It is probably Chou En-lai who wields most of the power in China to-day, and if Nixon's visit to China is a success, it will be a triumph not just for the American President but for the Chinese Premier.

**Norman & Bennet Limited**  
established 1924

**DISCOUNT BROKERS**

Current Assets £39,496,560  
at 30th June, 1971

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Selling Certificates of Deposit.  
Short dated British Government and Local Authority Bonds.  
Call and Short Notice money.

5 Fenchurch Street, E.C.3. 01-626 6351

**INTERIM STATEMENT**

**CHARLES ROBERTS & COMPANY LIMITED**

HORBURY JUNCTION, WAKEFIELD

INTERIM REPORT—FINANCIAL YEAR 1970/71

Group profits, which in the case of the half-year ended 1st April, 1971, are subject to audit, are as follows:—

	Half-year ended 1.4.71	Half-year ended 2.4.70	Year ended 1.10.70
Trading Profit before Depreciation	207,866	172,917	403,317
Deduct: Depreciation of Fixed Assets	78,713	74,364	154,724
Trading Profit	131,154	98,553	248,593
Add: Income from Rents, Investments, Bank and Other Interest	2,325	2,808	4,600
Profit before Interest on Bank and other Short Term Borrowings	133,479	101,361	253,193
Deduct: Interest on Bank and other Short Term Borrowings	12,538	17,733	32,447
Profit for the Half-Year	120,941	83,628	220,746

**TAXATION**—As a result of past losses it is not anticipated that there will be any liability to taxation on the profit for the half-year ended 1st April, 1971.

**DIVIDEND**—The Board anticipate being able to recommend a dividend of 14% for the year.

**R. MORFITT LIMITED**—Since the end of the half-year we have acquired the share capital of R. Morfitt Limited of Wisbech from Associated British Maltsters Ltd. for the value of the plant and stock required by us to carry on the business of manufacturers of aluminium road tank and bulk carrying vehicles for the conveyance of trading and animal feed-stuffs.

**HALF-YEAR'S TRADING**—The profits emerging from the first half-year reflect a useful increase over the figures of the comparable period of last year. With a continuation of the present level of activity, the results for the year should show further improvement.

All of these Securities having been sold, this announcement appears as a matter of record only.

**NEW ISSUE**

**\$100,000,000**

**CHRYSLER FINANCIAL CORPORATION**

**9% Notes Due 1976**

Due July 15, 1976

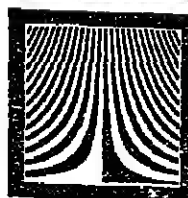
Interest payable January 15 and July 15

The First Boston Corporation

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Dillon, Read & Co. Inc.	Kuhn, Loeb & Co.	White, Weld & Co.
Blyth & Co., Inc.	Drexel Firestone Incorporated	duPont Glove Forgan Incorporated
Halsey, Stuart & Co. Inc.	Hornblower & Weeks-Hemphill, Noyes Incorporated	Eastman Dillon, Union Securities & Co. Incorporated
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Wertheim & Co.	Dean Witter & Co. Incorporated	Lehman Brothers Incorporated
A.B.N. Corporation Incorporated	Allen & Company Incorporated	Bache & Co. Incorporated
A. G. Becker & Co. Incorporated	Burnham and Company Incorporated	Basle Securities Corporation Incorporated
Dominick & Dominick, Incorporated	Equitable Securities, Morton & Co. Incorporated	Clark, Dodge & Co. Incorporated
Hill Samuel Securities Corporation	E. F. Hutton & Company Inc. Incorporated	EuroPartners Securities Corporation Incorporated
F. S. Moseley & Co.	The Nikko Securities Co. International, Inc. Incorporated	W. E. Hutton & Co. Incorporated
Reynolds & Co.	L. F. Rothschild & Co. Incorporated	Shields & Company Incorporated
Spencer Trask & Co. Incorporated	G. H. Walker & Co. Incorporated	Walston & Co., Inc. Incorporated
Banque de Bruxelles S.A.	Banque de l'Union Européenne	Bayerische Vereinsbank
Lazard Brothers & Co., Limited	Lazard Frères & Cie	N. M. Rothschild & Sons Limited
		Skandinaviska Banken
		Kredietbank N.V. Limited
		S. G. Warburg & Co. Limited





# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## RESEARCH

### Solid-state clock

A solid-state electronic clock with no moving parts at all has been developed by Motorola Semiconductor as part of a research programme designed to stimulate advanced applications and manufacture in the watch and clock industry.

Instead of hands there are two circles of tiny light-emitting diodes (gallium-arsenide-phosphide) which directly convert low-level direct current into bright red light. An outer circle of 60 lamps indicates minutes and seconds, and the inner circle of 12 lamps shows hours. This arrangement only requires three lamps to be lit at any one time, minimising the current drawn to the extent that two small batteries can drive the clock for a

year before replacement. A quartz crystal is used as the timing element to generate pulses which drive integrated circuits that switch the lamps.

Great time-keeping accuracy is consequently obtained and in addition, since the electronic components used are hermetically sealed to be impervious to knocks, vibration and dirt, the need for periodic maintenance and cleaning is eliminated and the clock is claimed to be highly reliable.

Motorola expect that a fully integrated circuit in which a single monolithic unit contains all the circuitry except the quartz crystal and the diode lamp, will be available for use in clocks within a year.

### Temperature test chamber

Primarily designed for the testing of large transformer assemblies, the Model ZFK 31152 temperature test chamber now available from Avo. Archcliffe Road, Dover, Kent, can accommodate assemblies weighing up to 2,000 lbs and with approximate dimensions of 6 feet x 3 feet diameter.

The chamber has an internal working volume of 7½ feet x 4½ feet x 4½ feet and a temperature range of -50 degrees C to +200 degrees C. The associated instrumentation is complete with an automatic programme recording controller for the cycling function.

The chamber is manufactured by Associated Testing Laboratories of New Jersey, U.S.

10 Hz—a frequency that will ensure a substantial depth of penetration of eddy currents. The magnitude of resultant differential voltage is then a measure of the physical properties depending on the part of the B-H curve chosen.

For instance, if heat treatment was under examination, the equipment would be set to work at the saturation part of the B-H curve.

Known as the Magnatest QP, the equipment is made by Foster in West Germany. Coils from 2 mm to 500 mm are available, and special diameters and coil shapes can be supplied, for instance for use with sheet metal. Also available is a monitor for semi-automatic sorting. In conjunction with a mechanical sorting system, high speed fully automatic sorting and counting into three groups is possible—for example soft, correct hardness, and too hard.

### Magnetic materials tester

AN instrument that enables ferro-magnetic materials to be tested for hardness, composition, heat treatment and other parameters by comparing the magnetic properties with a known sample, has been put on the market by Wells-Krantz of Blackhorse Road, Leitchworth, Herts.

The reference specimen and the test part are inserted into a comparator coil and a test coil respectively. Then, working on a chosen part of the B-H curve, current is applied to the coils at

## COMPUTERS

### Technology program directory

THE European rights to "Computer Programs in Science and Technology" (CPST), a computer program directory developed specifically for scientists, engineers and research directors, have been secured by Peter Percin of Stevens, Herts., from Science Associates/International of New York. CPST is designed as an "idea catalogue" to show how others

## INSTRUMENTS

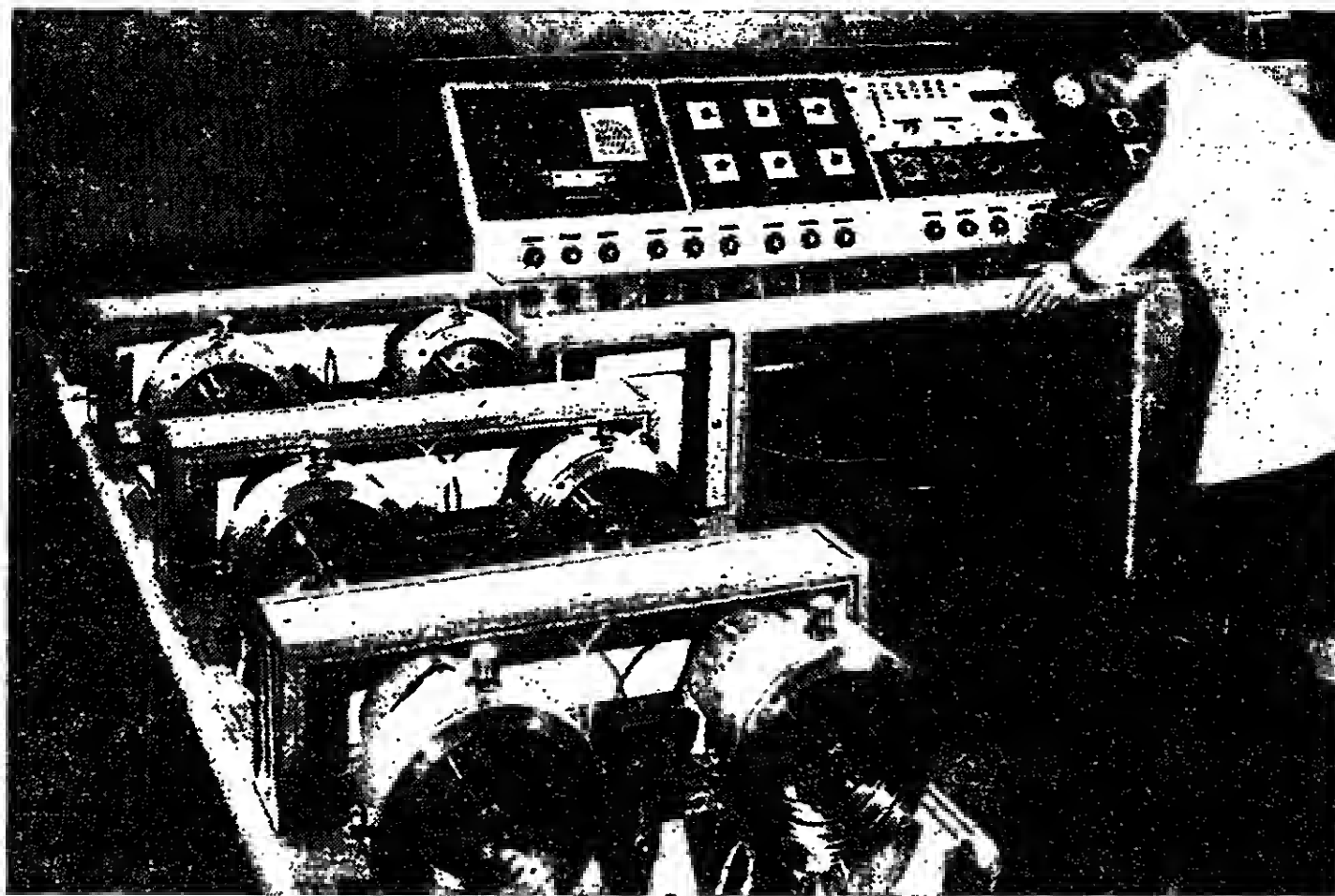
### Monitors computer rooms

A COMBINED temperature and humidity recorder with audio and visual alarm systems has been introduced by Eaton-Williams Products for use in

computer rooms and similar applications where close environmental control is necessary.

The self-contained installation produces a continuous circular chart record of the temperature and humidity each in a different coloured ink. An electronic alarm system is controlled by high and low limit limits on the recorder chart face. Warning is given by an audible alarm, while neon indicators signal mains supply on, air conditioning fault, and high or low temperature or humidity.

The standard unit provides one



have used the computer to solve their problems.

It covers agriculture, automation, biological sciences, chemistry, earth sciences, electronics, engineering, instrumentation, materials, mathematics, medicine, operations research, computer science, and physics, among others.

CPST, to be issued quarterly, contains some 300 new and different program descriptions to each issue. Programs are indexed exhaustively by keywords selected from program titles, descriptions, subject areas, possible applications and acronyms in order to provide maximum accessibility. Entries are arranged alphabetically by institutional source and contain title, author, general description, status, hardware and software

specifications, special requirements (if any), availability data and contact for additional information.

### Automation in steel making

VARYING speed and temperature of steel strip in rolling mills requires experience and quick decision in control of the water sprays used for cooling.

The job has now been taken over by a computer in the new Burns Harbor plant of Bethlehem Steel, Bethlehem, Penna., U.S. Inputs are the speed of strip, its acceleration as the rolls are brought up to normal speed, and the temperature of the emerging metal.

These variables are fed into the computer where complex heat transfer equations have been stored. The computer takes the result of the equation solution and converts it into control instructions for the water sprays. In addition to deciding which and how many sprays are to be used, the strength of the water pressure is also fixed by the computer.

### Computer users' panel

MANAGERS of over 700 computer installations in Britain have agreed to take part in a special marketing research service which is to be launched by Urwick Dynamics, the computer management consultants. The service will be available to all suppliers of computers and ancillary equipment, service agencies, service bureaux and software houses.

The problem facing companies launching new products or services—in the face of fierce competition—is that there is a strict limit on the marketing information that they can glean from their own records. According to Urwick Dynamics, more marketing research is needed which must not only provide unbiased external information but also reflect the views of potential customers.

This is the basis of the new service being offered by the company. Surveys will be split into three main areas: technical evaluation, desk research and field research. The Computer Users' Panel will be used for field research. Between them, the members present a complete cross-section of computer installations valued at more than £70m.

Each panel member has informed Urwick Dynamics about his range of equipment and has given some basic information about his company. Marketing research inquiries therefore will be channelled to various panel members who are best placed to make an objective assessment of the product or service being offered.

No panel member will be asked to take part in more than six surveys a year. Normally members will be asked to complete a questionnaire but on some occasions some may be interviewed by an Urwick Dynamics consultant.

revolution of the 10 in recording disc in seven days, but one revolution in 12 or 24 hours can be supplied on request. Provision is made for fitting sensing elements into the case of the recorder to produce a single fully self-contained unit.

### Lightning detector

SPECIAL sensitive silicon cells are used in instruments devised to detect thunderstorms as much as 100 miles away.

The light-sensitive cells will detect lightning reflected from clouds even when it is too faint to be seen by human eyes. The instrument was built by the Institute of Mining and Technology, Socorro, N. Mex., U.S., for its study of thunderstorm processes.

The cells are wired so they will respond to the quick changes in light intensity caused by light-

ning, but will not give false readings in the slower changes caused in sunlight by clouds or haze.

The Institute's study is to learn why electricity is formed in thunder clouds. The current theory is that ice crystals have a positive charge and water droplets are negative, building up a potential in the cloud.

## PRODUCTS

### Identifies wires quickly

WIRES in large bundles can be identified by colour coding, number stamping, tagging, or "ring out" methods using buzzers. According to Thomas Betts International of 90-93 Cowcross Street, London EC1M

6JR, these methods are not always reliable and it has introduced a system called Cable Scan which, it is claimed, saves substantial production costs in wire assembly by eliminating errors and reducing termination time.

The system can be used with stripped or unstripped wires. It can be used by the makers as a production identification tool, a wire marking aid, as a means of identifying a wire to be terminated and in helping inspectors test for continuity or shorts. The equipment contains 200 signal inputs on four connectors, each with 50 contacts. Contact of the signal output or earth connection to any input produces a three digit reading display on a glass screen. The operator assigns numbers from 001 to 200 to the wires or terminals in the cable or harness assembly that is to be fabricated, and these are connected to the respective Cable Scan inputs via an adaptor cable.

A special wrist strap is worn by the operator to provide a maximum loading of 5 kW per square meter and produced in any shape or size. Heating mats of this type can also be made in continuous rolls 36 inches wide from which any required size can be cut.

### Provides a source of heat

DESIGNED for storage tanks, process vessels and other types of industrial equipment an electric heating mat made by Hotfoil of Heath Mill Road, Wombourne, Wolverhampton WV5 8AG, is constructed from flat elements contained within a woven glass fabric and enclosed in a flexible outer cover. It is suitable for temperatures up to 450 degrees C.

The mat can be rated up to a maximum loading of 5 kW per square meter and produced in any shape or size. Heating mats of this type can also be made in continuous rolls 36 inches wide from which any required size can be cut.

### Indicates position of valves

SIMPLE DIAL indicators that show the degree of angular opening of a valve at a glance have been announced by Centropneum, Carnyne Industrial Estate, Glasgow E2.

These units fall midway between indicator lamps which give limited information, and fully calibrated displays which can often be difficult to read. Indication is by a bar, contrasting strongly with the dial, which shows the position of the valve by an analogous angular displacement. No calibrations apart from the open and closed positions are indicated on the instrument face, which has a diameter of slightly over 2 inches.

Position is signalled to the indicator by a potentiometer mounted on the valve shaft. Within the instrument itself is a servo system incorporating two potentiometers, giving zero setting and scale adjustment. Power supply requirements are 6V positive and negative and a common line. No additional amplifiers are required, which makes the indicator easy to install and comparatively inexpensive. Power supply failure means that the dial shows the last valve position, while any faults in the connections between the valve potentiometer and the servo is indicated by the bar moving to

the over-open or over-closed position.

The units are designed for use in mimic displays for ships and process plant. As such, they are simple to mount, being secured by a body clamp and two pressure screws. Required hole diameter is 2.030 inch, and the length of the body is 4 inches.

### Spanners in tough plastics

CONVENTIONAL steel spanner are dangerous when being used on live equipment or in areas where they may cause a fire or generate a spark when dropped.

To overcome this danger, Repworth Electrical Developments of Holmfield, Huddersfield Yrks, has designed Whitworth ring spanners in plastics. Size covered by the standard set ranges from 14 to 1½ inches, equivalent to 4 to 1½ BS.

They are intended primarily for use on nuts and bolts made of brass or other materials with a similar tensile strength. Each spanner is individually tested to a torque equivalent to that of an equivalent steel spanner, with an ultimate strength of 22 tons per square inch.

Cost for a set of seven is £2.2 with reductions for quantity.

## PROCESSES

### Reclamation system for most fluids

SOLIDS, acids, carbon and water can all be removed from, for example, oil in one side pass using a multiple reclamation system recently introduced by Filtec Reclamation, of Redditch, Worcestershire.

Basic of the equipment is Fuller's earth bed which removes solid contaminants and acid. This filtration stage, like later stages in the extraction process, takes place under vacuum, at the filter bed is suitable for most of the liquids normally require purification in industry, although alternative materials can be supplied if necessary.

When the liquid leaves the filter it drops on to an evaporator which boils off water at other volatile contaminants. Finally, a cooler brings down the temperature of the liquid below its boiling point so that there is no risk of carbonisation when it leaves the vacuum chamber.

The heat exchanger has a dual action, taking heat out of effluent liquid and using it to raise the input to the necessary temperature.

The standard model as supplied by the company has capacity of 40 gallons per hour although these can be raised parallel for higher throughput. Alternatively, the company prepared to scale up the system for particular requirements.

### Shining bright and fully tested

Fine Tubes for fully tested tubing—seamless, welded or "Weldweld". Tubular components too, in a wide choice of stainless steels and special metals. Fine Tubes set higher standards—at the common price. Write for manufacturing and stock details. See what you save. Fine Tubes Limited, Estover Works, Plymouth PL6 7LG. Telephone: 0752 75851 Telex: 45255

## H & R Johnson - Richards Tiles Ltd

(CERAMIC TILE MANUFACTURERS)

Review by

Mr. Derek H. Johnson

### Extract from 1971 Group Accounts

	1971	1970
Group Profit before depreciation	£2,805,258	£2,384,558
Net Profit after Taxation	£824,067	£528,782
Ordinary Dividends (Interim & Final)	16%	15%
Preference Capital	£178,370	£178,370
Ordinary Capital	£1,795,271	£1,795,271
Reserves and Undistributed Profits	£9,421,311	£9,247,438

The 36th Annual General Meeting of H. & R. Johnson-Richards Tiles Limited will be held on Wednesday, the 25th August 1971, at Stoke-on-Trent.

The following is the circulated Review of the Chairman, Mr. Derek H. Johnson.

I am pleased to report that the cautious optimism to which I referred in the interim statement issued on the 23rd January last has proved to be more than justified. Group external sales increased by a little over £1.0m, despite a fall of £0.2m in direct exports. Group trading profit, before tax, for the year ended 31st March 1971 amounts to £1.50m, as compared with £1.03m the previous year. The whole of the improvement arose in the second half of the year, and was mainly attributable to the fact that the U.K. factories were operating nearer to capacity than at any time since the completion of the major reorganisation and rationalisation to which I referred two years ago. The increased production potential generated by this programme is now standing us in good stead. You will also notice that the liquid position of the Group has improved during the year. Bank and other borrowings having been substantially reduced. The other item in the accounts I would like to mention is the settlement in breach of contract. This relates to an export sales contract dating back to 1959.

The overseas factories have generally had a satisfactory year and in all cases have expanded their productive capacity. I am pleased to report that the South African factory has again increased both its sales and profits, and the current trading conditions and prospects remain good.

In Australia we have continued to face heavy competition from imports but, due to our confidence in the longer term prospects in this market, we are currently engaged in a substantial programme of capital expenditure on plant and equipment which when completed will contribute significantly to the reduction of manufacturing costs. We are also engaged in a vigorous marketing programme which includes the introduction of Du-it-Yourselves tiles to the Australian market and the initial response to this product has been excellent.

In Canada the severe competitive pressures under which we have been working show some signs of easing and, coupled with this, improvements in manufacturing processes and in distribution should show benefits in the current year.

During the year our Associate Company in Greece completed the first stage of their factory

extensions. The new production facility came on stream in May of this year and the increased productive capacity of the Company has been matched by an increased demand for its products.

In India our policy of steady expansion and growth has been continued and I can report another year of successful trading. Our Associate Company in New Zealand has also continued to develop demand for its products and has expanded its capacity accordingly.

The overall improvement in the results of the Group is the outcome of the continuous effort that has been made by the staff and operatives throughout all divisions, both at home and overseas, and I am sure they will be greatly encouraged by the improved profit showing through in the latter six months. On behalf of the shareholders I would like to offer them our warmest thanks for what they have achieved.

During the year Mr. A. P. Conn tendered his resignation which the Board accepted. I should like to place on record our appreciation for all his services to the Group.

Demand from both home and export markets is currently running at a high level. To encourage this demand further, we have developed new product ranges of decorated tiles for introduction during the coming months. This will strengthen our position vis-à-vis competitive materials.

Thanks largely to the efforts of our New York based Marketing Company and despite a technical finding of dumping in relation to a small proportion of our sales to the United States—a situation which was promptly remedied—we are finding it difficult to satisfy the United States demand for our products.

So far as Europe is concerned, steps are being taken to strengthen our marketing organisation on the Continent, notably by increasing our direct participation in the market. As a first step a wholly owned subsidiary marketing and distributing company has been established in Sweden and has now commenced trading.

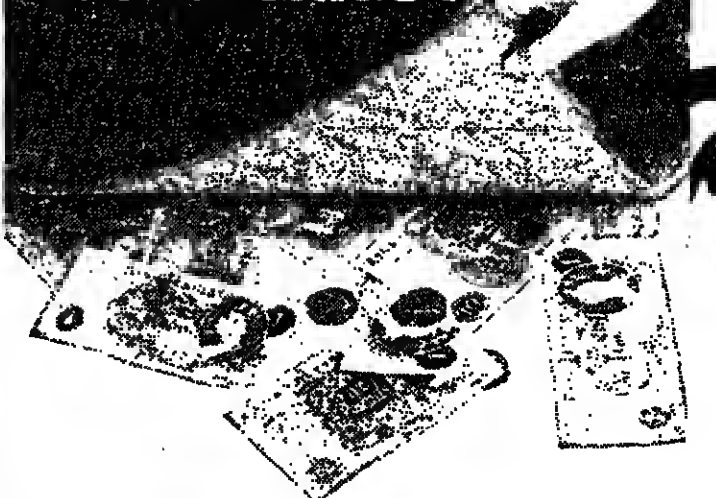
The Board view the prospect of Britain becoming a member of the EEC as a competitive challenge which can be met with confidence if, after entry, the Government recognises the importance to the National Economy of substantial exporters and realises that the outcome of any race is always much influenced by the impositions of the Handicap Committee.

Despite steps which the Government has taken to combat inflation, costs of production continue to rise appreciably and we consider it desirable, in the current year, to initiate capital projects designed basically to improve our competitive position. These will be financed out of the Group's current resources and facilities.

I am pleased to say that, in the light of the results for the year and the current satisfactory trading conditions, your Board feel it appropriate to restore the cut of 3% in the final Ordinary Dividend which I thought necessary to make last year in order to conserve financial resources. The Board accordingly recommend a final Dividend of 9%, making 18% for the year.

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# The Executive's World

EDITED BY  
DAVID PALMER

## Women's lib hits Japan

BY HENRY SCOTT STOKES

THE WESTERN image of the Japanese woman is that of a porcelain beauty, whose very limbs threaten to snap off, she is so frail. Japanese women are expected, in the Western stereotype, to be retiring and bashful, as shy as mountain deer, and quite unwilling and unable to enter the hurly-burly of daily life.

Yet what is happening in the cosmetics market in Japan at the moment suggests that it is time for the stereotype to be abandoned, time to discard the image of the frail Japanese lady leaping into dreams behind her raised ivory fan, and to recognise the woman-power is playing a role in the Japanese business world.

This, at least, is what is suggested by the tale of Chifuren, an organisation of Japanese women, and its battle for the Japanese cosmetics market.

Chifuren is a body claiming the allegiance of some 6m. Japanese ladies. It is vigorous, well-organised, splendidly administered and highly independent of corrupt male influence. Founded in the post-war years ("Chifuren" stands in full for "Chiki Fujin Rengo" or Local Women's Association), its growth has been explosive. Its ambitions have also been more dramatic than those of the more long-established Shufuren, a women's organisation which has been in the limelight since the early 1950s in Japan.

Chifuren three years ago embarked on an experiment in direct business action of a kind which the older Shufuren has never quite dared to indulge in. In the early 1960s Shufuren carried out national boycotts against the electric power industry (refusal to pay bills), the rice dealers (accused of selling stale yellow crops), the milk industry (excessive price increases) and, in the early 1960s, the canned food people (misleading labelling).

But Chifuren went one better in August, 1968, when it entered a manufacturing field (cosmetics) directly. Instead of using the weapon of the boycott, it decided to go into production as a rival of the company which it chose to criticise (Shiseido, the largest Japanese cosmetics firm).

In August, 1968, Chifuren tied up with a small manufacturer in the cosmetics field, Tokyo Jitsugyo. The idea was to sell by mail order, using the label "Chifure," which has a soft and appealing ring to it. In Japan, the proposal was to sell all products for a given, fixed price, Yen 100 (about 12p)—including



Stepping into the hurly-burly world of selling cosmetics.

lipstick, lotion, powder, cream, mascara, eye-shadow; whatever the product the price would be the same. Cheap polyethylene containers were to be used instead of glass ones. And the main point to be made in publicity would be that the contents of Chifure cosmetics would be equal to the best in use in the cosmetics business in Japan (that is, those employed by Shiseido, which has much the largest market share). Prices would be lower—thus, where Shiseido prices ran up to Yen 1,000, Chifure prices would be just Yen 100 an item.

The whole purpose of the exercise was to attack Shiseido's "excessive profits." At first

progress was very slow. Then, aided by publicity in weekly magazines, and also Chifuren publications, sales of the new Yen 100 products gradually began to build up. When mail order sales were begun in November, 1968, monthly sales were of the order of 100,000 items (that is, only Yen 10m. or £11,500 worth). During the following year and the first part of 1970 sales increased steadily from this low base, whereas some 200,000 items a month. This was still making only a tiny impact on the huge Japanese cosmetics market, estimated at more than Yen 200,000m. (more than £230m.).

In October, 1970—only two years after entering the market—Chifuren people felt sufficiently confident, however, to launch their first major sales campaign. This emphasised that: 1—The content of cosmetics varied "very little"; 2—Whether one paid Yen 100 or Yen 1,000 for a lipstick, the only difference between the two items would be in the packaging and the label. The Japanese Press, including the big daily newspapers, was receptive to these arguments, and gave them great publicity at this time. Sales, still by mail order only, rose to 250,000 items a month.

Encouraged by the reception being given to both their products and their arguments after only two years in business, Chifuren finally decided that the experimental days were over. The decision was taken to invest in a new factory in Yokohama, which was completed in May this year, and is now in production with a monthly capacity of 2.7m. Chifure items. Simultaneously, mass sales were started through supermarkets and department stores, including the most prestigious store in Tokyo, Mitsukoshi (the rough Japanese counterpart of Harrods).

The first response this early summer was a record one—shop sales of 1.2m. units in May and another 350,000 items via direct mail. Sales by mail rose simultaneously with the start of sales through the shops. Last month the figures were up again, shop sales reached 1.4m. units, and mail order ones rose to 610,000 in all—giving a total of more than 2m. items, more than 10 times the initial sales in the autumn of 1968. On these figures Chifure products would reach a sales total of more than £2m. a year. This would be still only a small share of the Japanese cosmetics market.

But it has been a good effort

by a complete newcomer to a competitive market into which Chifuren has had to fight its way against the opposition not only of Shiseido, but also Kanebo, Max Factor, Revlon and many others.

Chifuren's sales campaign is now, however, "at a delicate stage," people in the industry believe. In the last couple of months, following the first appearance of Chifure products in the shops and department stores, there has been a mad rush to buy. But this has slackened off very recently.

Chifuren certainly has its problems. Its polyethylene containers, for instance, are non-disposable—and the organisation has elsewhere criticised manufacturers who used such materials for making containers. It faces the need to be consistent, and to use glass instead of polyethylene, but this would increase costs, and would probably make it essential to raise prices above the vital Yen 100 an item line. The last thing Chifure wants to do "at a delicate stage" is to raise prices.

### Loyalties

Another problem is that brand loyalties are exceptionally strong in the cosmetics field, and the sway of fashion is hard to predict. Thus there is a fear that those women who were temporarily lured into Chifure products may now be gravitating back to Shiseido again—though they may tend to go for cheaper lines than those they favoured before-hand.

Even if the worst were to happen and Chifure products were driven back out of the market, however, the militant women would have made their point: that Shiseido prices were high—a fact which is seemingly acknowledged by the cosmetics manufacturer itself. This has been the minimum achievement of the first venture of woman power into business in Japan.

## EMPLOYEE BENEFITS

# What the EEC has to offer

BY DRYDEN GILLING-SMITH

A BRITISH company wanting a quick assessment of the variegated European pensions scene would do well to look at the different ways in which EEC employers back up their promises to pay future pensions. While we in the U.K. take it for granted that all self-respecting employers will fund their pension liabilities—so that a portfolio of assets is built up either by an insurance company or by an alternative funding agency for each employee—this is not universal practice across the Channel.

In previous articles I have sketched in some of the differences in the social security framework that must inevitably influence the form and quantum of company benefits. This week I want to look specifically at the way pensions are funded (or not funded) in certain EEC countries, and the implications of these different practices for British employers operating in the EEC.

For practical purposes I shall restrict my comments to Germany, France and Holland. Private pension coverage in Italy is relatively insignificant and Belgian practice largely follows Dutch.

### 1. Germany

Pension scheme coverage in terms of total workforce is comparable to that in the U.K. Benefit levels are, however, considerably lower. While the amount paid out to employees each year in U.K. occupational pensions exceeds the amount paid in State pensions, the German picture shows a mere 2,000m. marks a year paid in occupational pensions while some 43,000m. marks go out annually in the form of State pension payments.

Some German employers operate insured pension schemes and others have self-invested funds. But about 70 per cent of

all employees in German company schemes have their benefits financed simply by book reserves in their employers' balance sheet. This system, known as the *retirement benefit pledge*, has been actively encouraged by legislation which allows the employer to obtain tax relief on money that he ploughs back into his own business provided he earmarks it to provide pensions for his employees at a later date.

One hardly needs to stress the dangers of such a system with the memory of *Rolle-Reve* and similar industrial catastrophes fresh in our minds. Had the German system operated over here, redundant employees of such companies would have lost their pension savings as well as their jobs. Criticism of this method of pension funding is now growing in Germany itself and a number of trade unions are insisting that employee representatives should have a substantial voice in Board decisions because many companies' internal pensions investments have reached the point where they constitute a very large proportion of the company's net worth.

### Benevolent employer

The barrier to change lies largely in the fact that German management and German legislation has been severely paternalistic. It has fiercely resisted the concept of pensions as a part of total remuneration—preferring to hold to the view of the employer as a benevolent Führer with a duty to protect his ex-employees. Significantly the key legislative enactment dates from 1935—the heyday of the Nazi era. As one would expect, transferable pension rights hardly exist at all in the

German occupational pensions context.

### 2. France

In contrast to the militant paternalism of Germany, private sector pensions in France epitomise democracy and employee participation. A nationwide system of *regimes de retraites complémentaires* cover over 9m. employees. Practically all pension rights are transferable and employee representatives generally have a 50/50 voice in scheme management. In fact many industrywide schemes have been set up as a result of Trade Union initiative and once agreement has been reached between the main employer and employee associations in a given industry, membership has by Government decree been made compulsory throughout the industry.

The Achilles heel of the French system is that benefits are not funded. Contributions paid by, or on behalf of, people at work are used to pay pensions of people who have retired, and like the State scheme in Britain this clearly poses problems when the numerical balance shifts as between pensioners and workers. Such a system presupposes an unlimited willingness on the part of future generations to go on paying out money for the benefit of their elders. To avoid the wholesale loss of confidence that would ensue from a cut-back in benefits the original concept has been modified considerably in recent years and substantial funds have been built up to buttress the system against short term fluctuations in income and expenditure.

The French repatriation system provided a valuable rescue operation in a post occupation economy where most conventional retirement savings had been inflated to near zero. For the past decade, however, successive French governments have

been trying to find a means re-introducing pension funds on U.K. lines.

### 3. Holland

Holland of all the EEC countries has by far the most advanced private pension legislation and practice. In a sense this is an amalgam of the best features in the British and French systems with something else thrown in for good measure. Dutch pensions are properly funded as well as enjoy statutory provision for employee participation. Employee representatives enjoy a 60 per cent voice in the management of multi-employer plans—a marriage of British finance and French democracy.

### A varied picture

The bit extra consists of regulations that the *Toc* have introduced that they introduce in the U.K.—a transferability after five years membership of a scheme—restrictions on pension investment (the whatever area in the employer's business in per cent of scheme assets). Current Dutch proposals would make pensions transferable at only one year's service—restrict investment in employer's business to 5 per cent of relevant pension assets.

This is the European picture. It is not homogeneous and it is no reason why the U.K. should depart from its present path in order to follow a German or Italian example. The contrary, any increase in mobility of labour between countries in an expanded EEC is likely to make Germany, France and turn towards Benelux (because Belgium, Luxembourg, come closer to Holland than any of the other countries) and British solitu-

## Colin Dare—a consultant who took his own advice

BY TERRY DODSWORTH

COLIN DARE is an engineer who has spent most of his life as a consultant and now runs a hotel. He is 41, and his hotel, the Richmond Gate, represents his first attempt to go it alone.

The building was ripe for development. It was run-down, old fashioned, unlicensed, residential. Dare has thrown out the aspidochelone, revamped the interior, doubled the number of bedrooms, and vigorously sold the hotel's bedroom and conference facilities to local companies.

When Dare left the P.E. Consulting Group after an eight year stint, he took with him all the trappings of consultancy. He has

applied its lessons relentlessly at the Richmond Gate, an 18th century building which stands at the top of Richmond Hill next to the deer park.

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He claims that he could not have accomplished many of the changes without his generalist business background. "I am a businessman first, and a hotelier second. It's nonsense to pretend that this is different from other industries." There is little doubt that the fairly detailed knowledge of finance, marketing and project control which consulting gave him has helped.

Nothing illustrates this better than the building of a 44-bedroom extension in the hotel garden.

Many hotels are now going up in London which quote the building cost of a bedroom at between £4,000 and £5,000. Dare has built an extension at the cost of £2,000 per bedroom. The reason for this, he says, is that he has controlled the whole operation himself. He has done it faster and cheaper than any contractors were prepared to quote.

It took him 20 months to get planning permission for the new building. But he used the time profitably. He hired an architect friend, and together they went through a detailed feasibility study on the building. Every item was costed. This helped him in two ways. First he found finance easier to raise because he could present precise figures to his backers (he put up half the £80,000 needed, the ICFC the other half). Secondly, he had a positive idea of how much each part and item of the building should cost.

### Best tender

As soon as he put out tenders for contract, however, he found that none of the main contractors would quote him figures which came anywhere near his own for speed and cost. The best tender could only promise to deliver the building in ten months. He thought it should be possible in six.

So Dare decided to do the job himself. He gave up the part-time consulting work he had been doing, hired a site manager, sat down in the hotel and ran the whole operation. He dealt directly with all the 25 sub-contractors, and brought the building out hang on cost in six months.

While this was going on Dare was improving the main building. He has turned some of the rooms into conference halls, and is gradually improving the bedrooms. He has also sold his organisation aggressively and mailed 3,000 local firms.

The result has been a swift build up of trade from businessmen. He now has a 73 per cent "financial occupancy"—the ratio of actual return per room on possible return—of his rooms. Since in the planning stage he was looking for a "conservative" 65 per cent occupancy rate, and since the hotel business has pretty low variable costs, he must be happy with his results.

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THE REAL BATTLE OF THE CLYDE...

# Scotland's grim struggle for work

From ANDREW HARGRAVE, Scottish Correspondent, Clydebank, August 2

ON THE FACE of it, little has changed at the Clydebank shipyard of Upper Clyde Shipbuilders, the former John Brown yard, since the "work in" hit the headlines last Friday. The only visible signs are that the security men at the gate have been joined by shop stewards, in four-hourly rotations. They "vet" people and supplies coming into and leaving the yard, and provide access to inquisitive journalists, TV cameramen and photographers. And that is just about it.

## On the nail

The "work in," in fact, is unlikely to be challenged for several weeks, or even months. There can be no question of the electricity being cut off (all UCS yards are in any case linked to sub-stations which serve hospitals and other vital installations), or of steel, liquid gas and other supplies being cut off so long as the liquidator, Mr. Robert Courtney Smith, pays on the nail. This he intends to do as long as he has work in hand.

At Clydebank, for instance, this means fully eight months, although work will begin to taper off after the next launch and the delivery of two cargo ships, all scheduled for October. In the smaller Scotstoun yard in Glasgow, on the north side of the river, work may begin to dry up sooner, although not for six or seven weeks. As for the Govan yard and the Linthouse steel factory next door, both on the south side of the river, the liquidator intends to keep them going at full blast until UCS is wound up and its successor is set up by the Government. This is not expected until late October at the earliest.

Thus for a limited period the interests of the shop stewards who have organised the "work in" and those of the liquidator will run parallel. Both sides are anxious that work on the ships should proceed without interruption or delay. There are at present six on the berths in the three yards, plus a further three at Linthouse preparatory to building on the berth as well as seven "in the water" fitting out.

No management function has so far been seriously challenged except for the watch at the gates and the "unauthorised" recording of Friday's mass

meeting at Clydebank by the Press and television. Although the liquidator was asked on the same day to conduct his business from his Glasgow office, he was allowed through to the group's headquarters at Lint-house this morning without molestation.

No one knows, of course, how long "peaceful co-existence" between the stewards and the liquidator will continue. Next Monday, when workers at two of the three yards and the Lint-house unit return to work from their annual holidays, up to 400 people—mostly administrative staff and including some female clerical workers—will receive redundancy notices. Later in the week, the steel sections of a bulk carrier keel may be transferred from Lint-house to Govan instead of Scotstoun as originally planned.

Both decisions will be challenged by the stewards. They intend to ask the redundant people to continue to report for work—exposing them to the risk of losing unemployment benefits. They are also expected to appeal to fellow trade unionists involved in river transport to refuse the switch from Scotstoun to Govan. The Scotstoun yard, it should be noted, is due to close before the end of the year.

Next week's turn of events may well test the credibility of both sides. They will be the first real shots in the psychological warfare ahead. For while the battle is ostensibly over the continued existence of UCS in more or less its present form, it would be extremely short-sighted for anyone to imagine that this is an argument over commercial viability or even whether and to what extent British shipbuilding should be protected against overseas competition.

The real battle is being waged against massive and ever-worsening unemployment in Scotland. Last month's figure of 134,500—4.2 per cent of the insured population—was 41,000 more than in July last year and 54,000 more than in the same month in 1969. It was within 1,500 of the peak post-war figure for any month.

The situation is even more acute on Clydeside, with one man in ten out of work in the Glasgow area, and it is worst in Clydebank, where John Brown employs over 3,000 people in

danger of losing their jobs when the yard closes next March. Already there are 3,000 men out of work in the town. On the very day Mr. John Davies, Secretary for Trade and Industry, announced plans for "restructuring" shipbuilding on the Upper Clyde, a Clydebank company announced redundancies for 113 men—or 58 if the work force agreed to a four-day week.

Redundancies, closures, short-time working—this has been the grim saga for the past 12

months. Nevertheless, the situation today is vastly different from that of 1969. By and large Clydeside does not take kindly to Conservative Administrations (of the 35 MPs representing the area, only five are Tories). Equally, southern Tories have little time for the "Red Clyde" and this goes for many industrialists and investors in general. If during its six years of office the Labour Government came in for some abuse for not being "Left" enough, now, with a Conservative Government

James Reid, finishing trades convener; Mr. Robert Dickie, convener at Govan; Mr. Sam Barr, convener at Scotstoun—plus a few others—have been talking to the Prime Minister. Mr. Davies, Mr. Gordon Campbell (Secretary of State for Scotland), Mr. Wilson, Mr. Benn and Mr. William Ross (shadow Scottish Secretary), as well as scores of MPs on both sides of the House.

They have secured the backing of the Scottish TUC, the Clyde Confederation of Ship-

Party official, rising to Scottish secretary until economic circumstances forced him to return to the yard where he had served his apprenticeship. He has since been elected to Clydebank Town Council, as one of two Communist members, and is now a magistrate.

Both are men of colour, full language—"butchery," "savagery," "prehistoric monsters" (applied to Tory Ministers) are used liberally. There is, however, a broad division of labour between

industry in the west of Scotland for one afternoon with between 30,000 and 40,000 people marching through the streets of Glasgow. The next one may take place later this month.

An appeal for funds to relieve hardship for those officially sacked by the liquidator but participating in the "work in" has also been launched. In the coming weeks, the hat is to be passed round many a Scottish factory and office, at trade union meetings and even places of worship. Unions will be asked for donations to follow the lead of the Scottish miners who are presenting a cheque for £1,000.

Although Mr. Wilson and the shadow cabinet are not likely to commit the Labour Party to go the whole hog with the stewards (in spite of Mr. Benn's own personal stand) they are unlikely to condemn it either while unemployment keeps rising in Scotland and in Britain. Nor is the Scottish TUC likely to offer a restraining hand unless things get out of control and take a violent turn.

For this is the nightmare that must haunt not only Mr. Smith, the soft-spoken, courteous and seemingly unemotional liquidator, but also Airlie, Reid and the other shop stewards—in spite of brave words about "not flinching" from a show-down.

## Hardship

At the same time the stewards know that the momentum has to be maintained if the whole exercise is not to fizzle out at the first stroke of real hardship. About 1,000 redundancies over and above the 400 already announced are due towards the end of next month.

Mr. Davies has mentioned the possibility of 1,000 people being re-employed in other yards on the Clyde. As Yarrow in Glasgow is unlikely to recruit in the near future, Scott Lithgow on the Lower Clyde is the only prospect.

Yet even if a high proportion of redundant UCS workers could be redeployed on the Lower Clyde, and assuming that the jobs of 2,500 were safe at the reconstituted Govan-Linthouse complex, this would still leave some 5,000 people looking for jobs over the next seven or eight

months at a time when unemployment in Scotland is likely to hit new peaks each month.

Only a bold, generous and imaginative approach by Government and, one may say, by the Scottish business community, can counter this potentially threatening, socially divisive and economically disastrous situation. It will not be solved by the collapse of the "work in," the defeat of the shop stewards and the exposure of "I Menace." It will not be solved—and here Airlie, Reid and shop stewards are right—"starving the workers into submission."

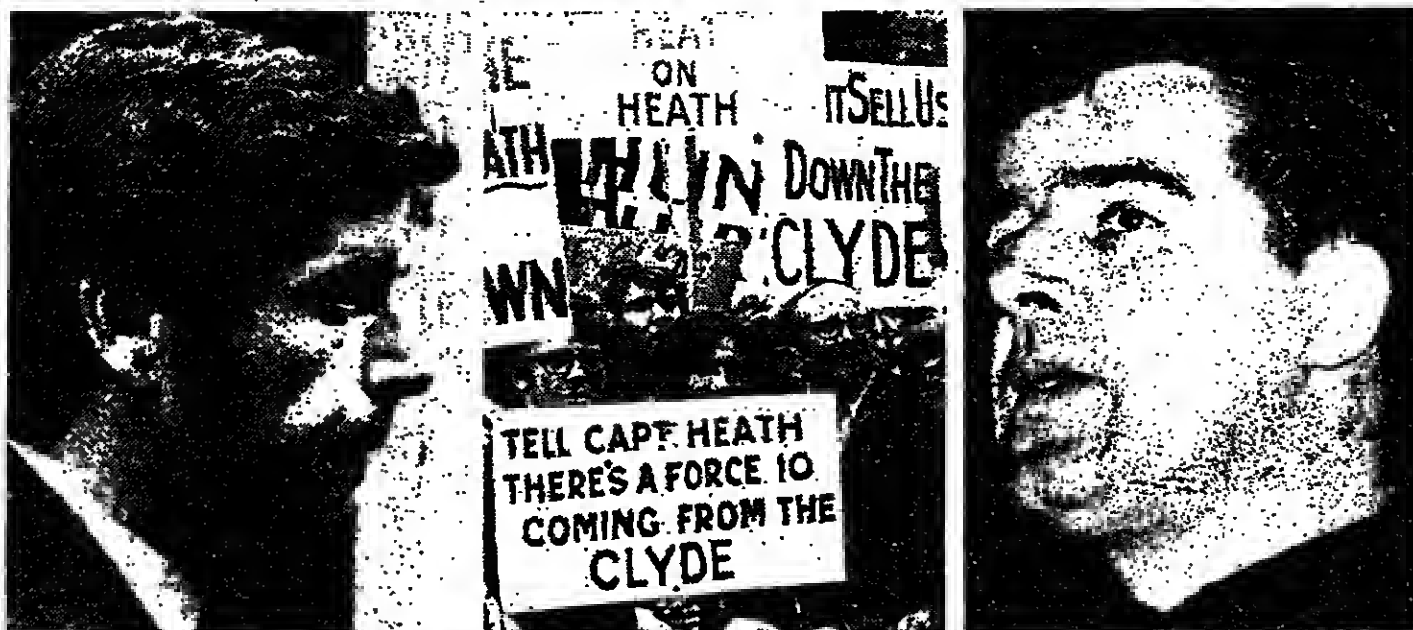
## Sensitive

Action to relieve hardship (the short term is limited, mini-Budget and even the £33m. in the special fund for the unemployed over the next two years cannot have more than a marginal impact on employment in the coming months; nor will the designation of Clydeside as a special development area until the economy as a whole really is moving).

Previous Tory Governments have shown a good deal of sensitivity in the plight of North. It was the Governor of Mr. Harold Macmillan, which Mr. Heath was a member—that secured for Scotland on social rather than economic grounds the steel strip mill Ravenscraig, the motor vehicle factories at Bathgate and Wood. The Post Office Savings Bank in Glasgow. It began process of transforming Scottish economy which received such a jolt in the year.

In terms of present action Hunterston comes to mind, its deepwater iron ore general user terminals, oil field steelworks and Chevron refinery (owned by Campbell); as do public works on a far more massive scale the extension of special development area incentives existing companies; additional incentives for investment training; a share of overspill government offices and research facilities.

Unfair to the rest of Britain. But the alternative chaos, strife, dereliction, despair, the last thing a Britain looking to Europe can afford



The UCS ship stewards most in the limelight—Mr. Jim Reid (left) and Mr. James Airlie (right). Airlie appears to be the organiser-in-chief. Reid plans overall strategy. Centre: UCS workers demonstrating in London.

months. That is basically why the plight of UCS attracts more public sympathy to-day than two years ago when UCS faced its first liquidation crisis.

## Acrimonious

There are certain similarities between the rescue operations, then and now. Mr. Davies's insistence on the viability of the Govan-Linthouse rump may be compared to the "no safety net" warning by Mr. Anthony Wedgwood Benn, then Minister of Technology. The deal temporarily saving UCS carried the strings of full union co-operation, changes in top management and labour shedding which are the conditions of the operation mounted now by Mr. Davies.

in office, the acrimonious dialogue between Clydeside and the rest of Britain has developed into a slanging match. In a situation of this sort, those with the loudest voices and bitterest tongues are liable to be heard above the general din.

The senior shop stewards who have organised the "work in" and have led the fight against the Government's plan for cutting down UCS to what Mr. Davies and the "four wise men" believe to be a viable size, certainly do have loud voices and acid tongues. But they are no fools.

In the last six weeks Mr. James Airlie, chairman of the joint shop stewards' committee and convener at Govan; Mr.

building and Engineering Unions and full-time officials as well as Mr. Benn and a number of Scottish Labour MPs.

## Oratorical

The shop stewards most in the limelight have been Airlie and Reid. They are both in their thirties, with a certain oratorical gift; both are engineers by training and Communist by conviction; both are family men. There the similarities end.

Airlie derives his power from the shop stewards' movement within UCS, having originally emerged during the birth pangs of the "Fairfield experiment" in 1966. Reid, on the other hand, was a full-time Communist

them; Airlie seems to be the organiser-in-chief while Reid plans the overall strategy. For however far-fetched the "work in" appears to the Government and to large sections of the general public, particularly in the South, there is a clear objective.

It is to involve the largest possible number of people right across the social, if not political, spectrum in Scotland and beyond. The churches have been drawn into the fight right from the outset and Clydeside clergymen have denounced what one called "callous indifference" by the Government. Public demonstrations by masses of workers are part of the strategy. The first one, on June 23, virtually immobilised

## Labour News

### Bank staffs to seek cost-of-living rise

BY ROY ROGERS, LABOUR STAFF

NOTICE of a pay claim for some 165,000 clearing bank staff, based on the rise in the cost of living between January 1 and September 30 this year, was given to the Federation of Bank Employers yesterday—seven months after the present pay deal came into operation.

The last settlement gave increases of between 7½ and 10 per cent, and was followed by a job evaluation of salaries from May 1. At that time, it was envisaged that there would be no further pay claims this year.

However, since then the National Union of Bank Employees has complained of the "exceptional circumstances" brought about by the increasing cost of living and has urged the bank staff associations to join with it in seeking a cost of living claim from July 1.

The banking staff council, which is comprised of NUBE and the various staff associations, eventually decided to lodge their claim as from October 1. Although the actual size of the claim will not be known until the Department of Employment has compiled its statistics for September, judging from the January-July rise of about 6 per cent, it will probably be about 7 to 8 per cent.

Mr. Claude Smith, leader of

the banking staff council, said last night that the employers were now considering the matter and negotiations would take place at the appropriate time.

## Barclays DCO

Meanwhile, NUBE has lodged a similar claim for its 2,000 members at Barclays Bank DCO as a result of their last agreement which included a cost-of-living threshold clause. That 10½ per cent deal negotiated last March and effective from January 1 precluded any further increases this year unless the cost of living rose by more than 5 per cent. over the December, 1970, figure. Following the 5.6 per cent. increase in the first five months, NUBE lodged a 6 per cent. claim and negotiations are to follow later this week.

## NATSOPA TO SEEK DE-REGISTRATION

The executive council of the National Society of Operative Printers and Assistants (Natsopa) decided yesterday—in line with TUC policy—that it would ask to be removed from the provisional register of trade unions when the Government's industrial relations legislation comes into force.

## Giro strike may spread

BY OUR LABOUR CORRESPONDENT

LEADERS of the Civil and Public Services Association will decide later this week whether to call out more of their Post Office members to join those who went on strike yesterday over the union's pay dispute with the corporation.

Yesterday, Mr. Bill Ryland, Post Office chairman, made an appeal in talks with Mr. Alistair Graham, CPSA official responsible for the union's Post Office members, for the strike to be called off. But Mr. Graham said afterwards that the stoppage would go on. "We are prepared for a long one," he said.

The CPSA is seeking to ensure that senior grade staff always get more than the people they supervise, which the union says, is not the case under a wage restructuring carried out by the Post Office. The difference between the Post Office offer and the union claim is only 4 per cent—8½ per cent on one hand and 9 per cent on the other.

The union yesterday claimed 100 per cent. support for the

strike from its members involved at the Giro centre at Bootle, Lancs., and at three other Post Office computer centres in London, Edinburgh and Derby.

## Redundancy Fund is £1m. overdrawn

By Elisabeth Gargula

THE REDUNDANCY Fund is overdrawn by £1m. It is financed by employers, who pay 6.3p for every man, and 2.9p for every woman they have on their payroll.

At its event of redundancies, they can reclaim half the lump sum payments they are obliged to make under the Redundancy Payments Act. In cases of bankruptcy the Government guarantees the lump sum payments, which depend on length of uninterrupted service, age and earnings.

More Labour News Page 19

## Guillotine proposed for EEC entry Bill

BY JOHN BOURNE, LOBBY EDITOR

MINISTERS are considering a controversial plan to prevent anti-Marketters from wrecking the essential legislation which Parliament must pass next year if Britain is to join the EEC in January, 1973.

The scheme is that the main Bill to bring British law into harmony with the Community's regulations over a wide range of matters should be subject to a guillotine procedure and should go upstairs to a Standing Committee. The dedicated Tory anti-Marketters, and also the Labour Opposition, will press for all this legislation to be taken on the floor of the Commons, where a line-by-line battle could ensue.

But the Government's business managers believe that, although these two groups would try to defeat the procedural motion sending the Bill upstairs, the risk is worth taking. The Government would choose which Tory MPs should sit on the committee and would therefore be able to ensure that it had a majority.

However, the success of the plan would depend on how many Tory anti-Marketters would be ready to vote with the Labour Opposition, and, probably, the Liberals, in insisting that all stages of the Bill must be taken on the floor of the House.

## Vauxhall signs CBI pledge on prices

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

VAUXHALL MOTORS has joined the other major car manufacturers in signing the Confederation of British Industry undertaking not to increase prices by more than 5 per cent. over the next 12 months.

British Leyland, Ford Motor and Chrysler U.K. have already indicated that they will accept the CBI's initiative on voluntary prices restraint.

The Vauxhall decision, taken after "a thorough consideration of the undertaking and the refinatory measures announced recently by the Government," is a further indication that the CBI will get the support it is seeking.

So far none of the 200 major concerns asked to sign an undertaking on restraint have refused to do so, it is understood. Over 30 replies have been received, and most of the rest are expected before the end of this week.

A few companies have indicated that they would like a little more time to consider the CBI's request. It is believed. The CBI has received further encouragement from the fact that 80 companies which were not asked to give a definite

undertaking to hold price increases below 5 per cent. have volunteered to do so.

One U.K. company, the TPT group, which makes a wide range of paper and plastic products for many industries, yesterday revealed that it was limiting a previously-announced price rise of 7½ per cent. to a maximum of 5 per cent.

It also promised that the increases, to be applied to some converted products, would be the last before June 30 next year.

Mr. L. V. Chivers, executive director of Ford Tractor Operations, confirmed that this sector of Ford's operation was also following the CBI line.

"I am sure that British farmers in particular have recognised the very positive step which has been taken towards curbing the rate of price increases," he said.

Mr. Chivers pointed out that in a relatively low-volume business such as tractor manufacture, adverse economics could be very serious. He expressed the hope that all suppliers to the company's tractor plant at Basildon would co-operate in a venture which was vital to the industry.

## PORTO TORRES A PETROCHEMICAL COMPLEX IN CONTINUOUS EXPANSION

Here are the most significant steps of a remarkable growth:

YEAR	FACILITIES
1963	Phenol
1964	Steam cracking
1965	H.P. Polyethylene
1966	ABS
1966	Ammonia
1967	Ammonium sulfate
1967	Topping
1968	Reforming
1968	Benzene
1968	Continuous Polystyrene
1968	Acrylic fibers
1968	LAB
1969	Steam cracking expansion
1969	Butadiene
1970	P.V.C.
1970	Sea-line buoy installation for mooring of 300,000 ton super-tankers
1971	Ortho- and para-xylene



Original processes, "up-to-date" engineering, high quality products.



SOCIETA' ITALIANA RESINE - MILAN - ITALY



# COMPANY NEWS + COMMENT

## F. Pratt returning to 18% dividend

TORATION of the 18 per cent. dividend rate for the year to 1971, is forecast by Pratt Engineering, makers of a chucks, etc. Last year the rate was halved.

Pratt's first-half trading continues, profits are put at 10% less than £450,000, compared with £237,339 last time, 1970 in 1969-70 and £465,000 in 1968-69.

For the first six months to April 1971, the profit was £230,674, the corresponding period in 1970 was £263,118, while the second half produced a loss of £4,373.

The current first-half figures are measures taken in restructuring the operating units, and a account of losses incurred in a joint collaboration agreement which is to cease at the year-end.

With the cash position showing considerable improvement and owing to be positive, the dividend is held at 6 per cent.

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Boulton & Paul	16	7	Hollis E.S.A.	16	4
Brickwoods	18	6	Illingworth Morris	18	1
Bulmer & Lumb	18	5	Jacks (Wm.)	18	6
Ciro Pearls	16	4	Johnson-Richards	18	4
Constellation	16	3	Lowe (Robert H.)	18	1
Crane Fruehauf	18	3	Mining Supplies	16	7
Debenture Corp.	16	4	Newmark (Louis)	16	6
Ebor Property	16	7	Overseas Trust	16	6
Ellis & Everard	16	5	Power Tools	16	2
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It was announced on Friday that Constellation had been approached by Jessel Securities, which, together with associates, already holds 41% per cent. of the "A" Ordinary shares, with a view to Jessel making an offer for the remaining shares.

## Hollis ESA ahead of forecast

THE RECOVERY in profit forecast by Hollis Bros. and ESA has materialised. The final dividend for the year ended March 31, 1971, is the promised 5 per cent., raising the total from 61 per cent. to 66 per cent.

Against last year's £500,000 envisaged, the profit comes to £514,069. The dividend for 1969-70 was 17½ per cent.

1970-71	1969-70
Turnover	17,065,000
Trading profit	887,780
Other income	1,200
Interest charges	373,223
Profit before tax	514,069
Taxation	24,000
Net profit	490,069
Preference dividend	7,000
Ordinary dividend	138,900
To reserves	138,900

Group activities cover timber importing, woodworking, educational equipment manufacturing. Meeting, 56, Gresham Street, E.C., September 15.

Everything eventually went according to plan at Hollis Bros. and ESA last year, with pre-tax profits 3 per cent. above last December's forecast. This represents a second half turnaround into the black of roughly £400,000, and apparently the management reorganisation has been the chief factor behind this.

The dividend absorbs, after tax, £138,900. The chairman and a member of his family have waived on a total of £10,250.

In the current year to date all companies with the exception of Loefer Products are trading at a higher level, the directors state. The removal of hire purchase restrictions may well result in further increased sales volume, they add.

Two years ago Audio Fidelity's expansion plans were upset by a major fire and while there was a recovery in the following year the main advance was expected to come in 1970-71. In the event the group seems to have done even better than the market was hoping for and a 33 per cent. pre-tax rise lifted the shares (already up over two-thirds this year) further 12½ to 67½ pence.

At this level the shares are on a p/e of 8.5 (9.1 fully taxed), which is, perhaps, undervalued low given the dull record. But in the current year Audio should benefit from the reduction in purchase tax and the freeing of HP restrictions, even if these factors are unlikely to make much impact until the autumn. In the longer term there is also the push overseas, especially in Europe, and the increasing demand for hi-fi equipment at the popular end of the market.

Reporting pre-tax profit up from £169,108 to £302,687, they say this figure would have been higher but for unforeseen circumstances arising from the reduction in purchase tax and the freeing of HP restrictions, even if these factors are unlikely to make much impact until the autumn. In the longer term there is also the push overseas, especially in Europe, and the increasing demand for hi-fi equipment at the popular end of the market.

At half-year profit was up from £83,100 to £166,704 and the Board expected second-half results to equal or better that.

1970-71	1969-70
Profit	302,687
Taxation	12,427
Net Profit	290,260
Available	318,843
After waivers of £48,445	270,398

Hampson Industries' 79 per cent. jump in profits does not mean that everything was rosy in 1970-71. The motor trade activities suffered from the effects of the recent industrial unrest and the poor trading climate in the aircraft sector was aggravated by the Rolls-Royce collapse, which probably cost in the region of £200,000 pre-tax. The maintenance sector also showed a downturn and a main impetus to profits came from the machinery manufacturing side, which has recently been the subject of substantial capacity increases. There are still further benefits to come from this expansion and the aircraft and maintenance operations are already showing signs of a pick-up.

An unchanged 4 per cent. interim dividend has already been declared. The total in 1970 was 13 per cent.

## Debuture Corporation

Gross income of the Debuture Corporation after expenses, amounted to £242,831 for the months to June 30, 1971 against £433,283 in the previous corresponding period.

An estimated amount available for Ordinary shares after tax and the Preference dividend was £234,868 (£232,735).

Net asset value per 25p Ordinary share is shown at 108½ pence.

An unchanged 4 per cent. interim dividend has already been declared. The total in 1970 was 13 per cent.

## Ciro Pearls optimistic

WHEN MEASURES being taken to strengthen the Ciro Pearls (Holdings) group become effective, the company will be in a strong position for solid growth and increasing profitability, says the chairman, Mr. V. Khoroch.

He feels, at the moment, that there is more scope for expansion on the Continent and in the U.S.

## 3% extra from Power Tools

A FINAL dividend of 9 per cent. by Power Tools Specialists raises the total to the equivalent of 12 per cent. to 15 per cent. for the year to March 31, 1971.

Last October, chairman Mr. A. N. Creed said he would not like to forecast profits higher than £140,000 for the year—in the event they have reached £155,829, compared with £132,110 in 1969-70, after being £51,838 (£54,830) at half-way. U.K. tax takes £50,000 (£50,000) leaving the year's net balance up from £73,110 to £92,829.

Dividends have been waived by the chairman and a member of his family have waived on a total of £10,250.

The profit is after taking into account an exceptional year for bad debts. These amounted to £22,554 (£2,508) of which £11,902 was attributed to Rolls-Royce.

Sales for the year increased from £1,493,407 to £1,735,614 and despite adverse conditions in general so far this year, sales show an increase over a similar period last year, members are told.

Power Tools has maintained a record of profits growth every year since its public debut in 1965. The latest performance takes in a pre-tax rise of 16 per cent. sales up 17 per cent., reflecting tighter cost control, higher prices and an increased contribution from the comparatively new hire side, which reached full profitability for the first time. The group is currently moving into new premises, which will more than double capacity on the distribution side. The first benefits of this expansion began to show in the second half of the current year and, given that some £19,000

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## 40% and scrip from Audio

DIRECTORS of Audio Fidelity are increasing the dividend from 33½ per cent. to 40 per cent. for the year to April 30, 1971, and also propose a one-for-five scrip issue.

The "comfortably higher" profits expected in February, turn out to be £226,573 pre-tax—an increase of £78,148 on 1969-70. At half-way, profits were £273,375 (£27,400).

1970-71	1969-70
Trading profit	374,888
Other income	19,702
Depreciation	3,722
Profit before tax	391,312
Taxation	16,527
Net profit	374,785
Preference dividend	14,537
To reserves	14,537

The dividend absorbs, after tax, £234,470. The chairman and a member of his family have waived on a total of £10,250.

In the current year to date all companies with the exception of Loefer Products are trading at a higher level, the directors state. The removal of hire purchase restrictions may well result in further increased sales volume, they add.

Two years ago Audio Fidelity's expansion plans were upset by a major fire and while there was a recovery in the following year the main advance was expected to come in 1970-71. In the event the group seems to have done even better than the market was hoping for and a 33 per cent. pre-tax rise lifted the shares (already up over two-thirds this year) further 12½ to 67½ pence.

At this level the shares are on a p/e of 8.5 (9.1 fully taxed), which is, perhaps, undervalued low given the dull record. But in the current year Audio should benefit from the reduction in purchase tax and the freeing of HP restrictions, even if these factors are unlikely to make much impact until the autumn. In the longer term there is also the push overseas, especially in Europe, and the increasing demand for hi-fi equipment at the popular end of the market.

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An unchanged 4 per cent. interim dividend has already been declared. The total in 1970 was 13 per cent.

## Constellation profit cut

The directors of Constellation Investments anticipate that profits for the year ended June 30, 1971, will be substantially lower than the £310,762 attained in 1969-70.

However, the dividends are maintained at 20 per cent. and 40 per cent. respectively on the "A" and "B" Ordinary shares.

The gross cost of £58,806 is covered from income of quoted securities.

The directors explain that the effect of the 1969 Finance Act was serious for the company. The provisions of the 1971 Act, which reduced the maximum rate of tax on earned income to 15 per cent., further reduced the effectiveness of the company as a savings medium for leading actors.

It is, however, expected that Constellation Overseas, which has contributed about £30,000 in each of the past two years, will not be affected.

Constellation has been notified by the Northern Stock Exchange that its request for the suspension of quotation has been refused.

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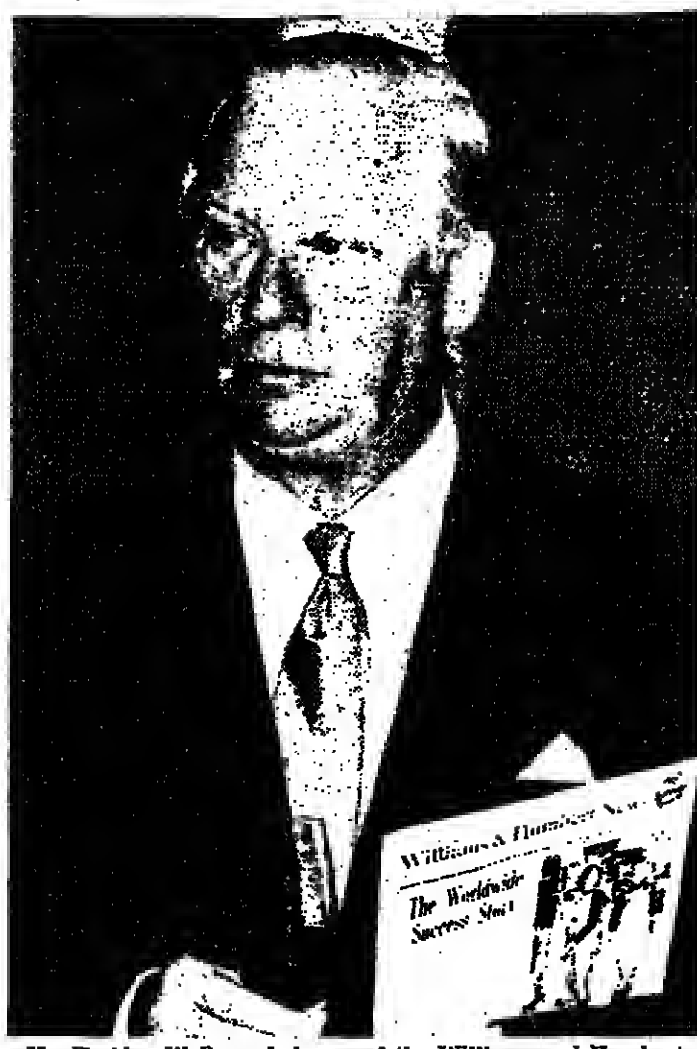
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He feels, at the moment, that there is more scope for expansion on the Continent and in the U.S.



Mr. H. Alan Walker, chairman of the Williams and Humbert Group, addressing members at yesterday's annual meeting. Said sales of sherry had advanced in almost every market.

## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Audio Fidelity	40%	Sept. 3	33½%	40%	33½%
Banbury Buildings	27½%	Sept. 25	25%	27½%	25%
Brickwoods	7½%	Sept. 25	6%	7½%	6%
Constellation Inv.	40%	Oct. 1	20%	40%	20%
Constellation Inv. "A" Int.	30%	Oct. 1	20%	30%	20%
Ellis & Everard	22½%	Oct. 6	22½%	22½%	22½%
Hampson	5%	Sept. 16	Nil	5%	Nil
Hollis & ESA	5%	Sept. 16	Nil	5%	Nil
Merchants Trust	3½%	Sept. 10	3½%	3½%	3½%
Mining Supplies	15p	—	3.50p	15p	15p
Ovagh Highfields	3½%	Sept. 29	2½%	3½%	2½%
Power Tools	9%	Sept. 16	6%	9%	6%
Pratt Engineering Int.	6%	Sept. 16	6%	6%	6%
Alex. Russell	6%	Sept. 16	6%	6%	6%
Western Canada Invest.	35	Oct. 12	33	35	33

\* Equivalent after allowing for scrip issue. † Amount per share.

(a) Tax free. (b) On capital increased by rights and/or acquisition issues.

than there is in the U.K., and the directors will be concentrating in those areas.

They are negotiating for additional shop sites in the U.S. and have just acquired a site in Frankfurt.

Also, they are exploring the possibility of further acquisitions in the fashion, retailing and other related fields in the U.K.

As reported on July 24, group profit for 1970 was £73,011 (£122,016), and the dividend 10 per cent. (20 per cent.).

The most serious profit drop occurred at home, but the U.S. subsidiary also sustained a setback. In Germany and Austria, however, slightly higher profits were returned.

Meeting, Cafe Royal, W., August 25, at noon. It is proposed to change the name to Ciro Holdings.

Shorn of its troublesome agricultural division, Ellis and Everard has made impressive progress in 1970-71—doubling trading profits and lifting earnings per share from 3.6p to about 7½p (ex terminal losses and adjusting to a 12-month basis for the 1970-71 acquisition). Both the building materials and chemical divisions increased their sales by about a fifth and the only laggard was the fuel side where turnover fell 14 per cent. This pattern seems likely to continue this year with the widening range of products supplied and the increase in bulk storage sales, while the introduction of self-selection centres and other direct selling from the yards helps the building side. So with a rise from 28½p to 66p already this year, the shares look firmly propped up on a p/e of only 9.

OVERSEAS TRUST  
Mallet and Wedderburn Unit Trust Managers announces that following the relaxation by the Bank of England on sterling-dollar loans last December, this securities in Overseas Trust bought with premium dollars amounts to 6 per cent. of the fund with nearly 35 per cent. on the cash account. This compares with 38 per cent. in premium dollars at the end of the last financial year and 3 per cent. on loan account.

1970-71	1969-70
Sales	12,428,458
Chemical	2,518,843
Building	2,518,843
Fuel	1,955,122
Trading profit	3,544,782
Closure losses	107,349
Miscellaneous income	25,122
Profit	47,960
Including £278,184 for Rippin for 1970-71	26,426

In the first six months profits (excluding the agricultural side) amounted to £196,034 (£136,764). The directors then said they were confident the increase in the income of G. F. Rippin.

LIABILITIES		
Capital	Lit. 5,000,000,000	
Ordinary Reserve	4,250,000,000	
Share Premium Reserve	4,000,000,000	Lit. 13,250,000,000
Deposits and Correspondent Accounts	962,019,446,682	
Bank Drafts in Circulation	8,281,225,260	
Items for Collection	8,015,042,296	
Dividends	69,370,542	
Sundry Liabilities	35,949,214,627	
Staff Retirement Fund	8,040,815,234	
Depositors of Securities:		
as Collateral and for		
Guarantees	Lit. 166,648,253,096	
for Safe Custody	260,045,147,039	428,693,400,135
Acceptances, Guarantees, Credits Opened, Bills		
Re-discounted etc. for account of Customers	234,417,868,321	
Securities Deposited	87,733,676,000	
Profit brought forward from previous years	10,470,126	
Income for the Term	22,594,399,648	
		Lit. 1,829,074,928,871

ASSETS		
Cash and Balances at Bank of Italy	Lit. 65,307,980,609	
Due from Other Banks and Correspondents	405,369,586,926	
Securities:		
Treasury Bills and Treasury		
Bonds	Lit. 51,678,665,325	
Other Securities	49,487,537,980	101,166,203,305
Participations	5,016,325,602	
Bills Receivable	57,606,325,583	
Advances against Securities	32,118,101,980	
Loans	313,461,339,879	
Bills for Collection	9,768,743,253	
Sundry Assets	31,473,230,408	
Premises	7,159,272,006	
Staff Retirement Fund (Investee)	7,844,026,457	
Securities on Deposit:		
as Collateral and for		
Guarantees	Lit. 168,648,253,096	
for Safe Custody	260,045,147,039	428,693,400,135
Liability of Customers in respect of Acceptances,		
Guarantees, Credits Opened, Bills Rediscounted,		
etc.	274,417,868,321	
Parties Liable for Securities Deposited	83,733,676,000	
Expenses for the Term	21,838,848,407	
		Lit. 1,829,074,928,871

## Mining Supplies advance

AS FORECAST, the directors of Mining Supplies are recommending a final dividend of 5 pence per share to raise the total from 5 pence to 6 pence for the year ended May 1, 1971.

A two-for-one scrip issue is also proposed.

Pre-tax profits increased from £274,132 to £442,371 following the rise to £220,000 (£109,000) at half-way.

1970-71	1969-70
Profit	442,371
Tax	154,000
Net balance	288,371
Profit on sale of property	2,000
Less tax	63,364
Dividends	2,000

The chairman and his wife waived their right to the interim dividend which would have amounted to £24,438 and the chairman has waived his right to the proposed final dividend on 200,000 shares which will amount to £10,000.

The scrip issue is for holders registered on August 13, 1971. The necessary resolutions will be proposed at an extraordinary general meeting to be held immediately after the annual meeting















# QUARRYING

FINANCIAL TIMES SURVEY

## Anticipating new demands

by ANDY McELROY

If there were a league table of industries based on their public appeal, quarrying would come very close to the bottom. In terms of public opinion, it is one of the least popular of all. In the public mind with plain unadorned holes in the ground, and the willingness of the quarrying industry to be dazzled by the paper advantages of "technologically-advanced" substitutes. In this latter context there is a distinct bias to some quarters towards the view that what comes from a quarry must *ex principio* be inferior to that occurring naturally. Based, like all fallacies, on sound premises, the use for artificial equivalents of quarried products has never caught on to a significant extent.

Looking at the performance of the industry it is immediately noteworthy that growth has been, since the early 1980s, faster than the gross national product. In addition, while profits are seldom spectacular, losses on wholly quarrying operations are seldom recorded in the annals of industrial disasters.

No matter what the industry, there are two factors that are predominant when considering growth and profitability. One is the development of the market while the other is the enterprise and efficiency of the industry. Markets for quarry products are diverse, but the main ones are for aggregates for concrete and roadstone of various kinds. Concrete, in the past 20 years, has undergone a remarkable change from a product made largely by rule of thumb to a range of formulations closely tailored to individual applications. Such a trend should have, according to the technological bible, opened the way for an influx of cheap, consistent and readily available factory-made aggregates.

No great historical insight is required to know that this did

not happen, and for very good reasons. Although factory-made aggregates have come and gone like mayflies, customers have been adequately catered for by the quarrying industry's ability to provide aggregates in exactly the size and quality, at the right price, needed for any type of concrete.

Part of the secret in this is that the quarrymasters have, almost without exception, anticipated needs. A good example is the way that new sources were developed in the late 1950s in anticipation of the growth of reinforced concrete construction, both in *situ* and precast.

### Massive investment

This swing towards concrete as a material at the expense of others, and increasing specialisation in types of concrete, has been followed by an extension of the range of aggregates available to the user.

This has not been done without a massive investment on the part of the industry. Aimed principally at extending the range of products, investment has been carried with it a two-fold benefit. Crushing plant, for example, which could produce different sizes from a common seam, was required. In some ways this need was the first stage in the technological education of the quarrying companies, who were quick to see that, given the right equipment, labour costs and handling costs could be drastically reduced.

The touchstone for efficiency in an industry is often the capital employed per worker. In quarrying, this is currently running at £50,000 per capita, a high figure by any standards. Modern quarries are as highly mechanised as almost any other activity, outside the science-based industries, accounting substantially for both the ability to expand output to meet exceptional demand and remarkably

stable prices for quarried materials.

In retrospect, the quarrying industry in general has shown great perception in keeping up with, and anticipating, the needs of customers. So often this might be thought to be pure good fortune, but it has its roots in the history of the industry's growth. Marketing may be a new and fashionable concept, but the industry has always, since the earliest days, looked on market development as a prerequisite of site development.

No company acting as a second-line supplier to industries like construction and civil engineering, so subject to the whim of government, would survive for any reasonable period without such market development. During the 1940s certainly, there were too many mistakes made in developing new sources on the basis of optimistic forecasts, but this tendency was quickly corrected.

If one looks at the industry over the past ten years there is a discernible shift in emphasis in both extraction and treatment. In particular, some materials, such as slate, have been largely superseded by manufactured clay tiles for roofs. At the same time, changing demands from the construction industry have led to the development of equipment that will produce aggregates of strictly controlled size and quality. This change has also meant that there is more emphasis in locating the correct type of deposit in the first place.

That this should have happened is not in the least surprising. On average, aggregates form over 80 per cent of the total volumetric content of concrete, and so the properties of the finished material depend to a very large extent on the correct choice and use of aggregates.

At present, the industry is still investing steadily in new sites and advanced equipment, a factor that has, in the past, played a significant part in protecting it from the vagaries of the economy and ever-rising labour costs. Since these measures have been successful in ensuring a steady growth despite the mixed fortunes of its main customers in the construction industry, there is every reason to think that it will keep the industry buoyant in the immediate future.

Especially now that the Government has chosen to reflate the economy, prospects look bright for a resurgence in construction work. Immediately, the special schemes to relieve unemployment in the hardest-hit areas of the country will mean an injection of funds in the public sector. Such an upturn must be reflected, almost immediately, in the quarrying industry.

In many similar situations, other industries have found that they are badly placed to meet increased demands on their production capacity. Again, however, the policy of steady investment in quarrying means that such peaks, and their corresponding troughs, can be met without too much distress.

### Conveyor system

Much of the credit for the present situation lies with equipment manufacturers who have, over the years, followed the pattern of usage by customers very closely, and have been quick to see the opportunities open to them for selling mechanised installations for handling as well as improving methods of drilling, digging and crushing. If one type of machine had to be singled out for praise, it is the long-run,

high-capacity conveyor system, which has increased the output of sites, reduced labour needs and incidentally cut down the noise and dust associated with quarrying.

It is this last aspect that poses one of the main problems for the industry in the immediate future. Public concern with despoliation of the land is, quite rightly, growing, and there has been strong opposition to the development of new sources. But these sources must be developed if the demands of customers are to be met.

### Restoring damage

For the industry this means that there must be a re-evaluation of the economics of, firstly, extracting in localities where this work will cause the least public concern; and, secondly, there must be a willingness to make good any damage caused to the countryside.

Restoring a site to its former state is well nigh impossible, but several companies have shown what can be done to allay the fears of the public. An example of turning a quarry into an amenity is in the flooding of gravel pits so that they can be used for fishing or sailing. There are numerous such artificial lakes throughout the country, landscaped at the expense of the companies which worked them.

Obviously, this means additional costs, but the goodwill generated by showing that ordinary people can benefit directly from quarrying activities should help to ease the path of future development.

It is easy to be too sanguine about an industry's prospects, but in this field companies have shown time after time that with wise investment and foresight one can adapt and prosper in a world of uncertainty.



British Rail removing crushed limestone for motorway construction from the Torr Works of Foster Yeoman Ltd., Europe's largest privately owned quarry.

## Moves to greater efficiency

By JAMES MITCHELL

As in other productive fields, the technology of quarrying in recent years has not so much witnessed any dramatic breakthroughs as become steadily more efficient. Equipment and machines at the rock face have improved greatly in mobility and capacity while processing plant likewise has got bigger, faster and more automated. Yet, in essentials, quarrying techniques remain largely as they were.

Sedimentary rock, such as limestone, sandstone or shale, is still won largely by blasting and shovelling, though ripping is also being employed on a much wider scale to-day. Igneous rocks, such as granite, continue to be cut and shaped

or drilled and broached, while slate is still split and dressed by hand.

In this connection, however, one relatively new development is worth mentioning in passing—namely, the use of high-pressure water jets on certain soft rock faces, for tunnelling, coal and concrete cutting and for the machining, cleaning and descaling of products. Not much of this has been carried out in Britain so far, nor has there been much co-ordination of pilot activities elsewhere. The British Hydromechanics Research Association hopes to put this right, however, starting with an international symposium on the subject to be held early in April next year at the University of Warwick.

But the greatest technical advance to be found in the industry as a whole in recent years lies perhaps in its increased mobility through the developments that have taken place in the design and manufacture of dump trucks. These are now available in capacities of five to 100 tons, with models running on tracks or specially designed rubber tyres, and have cut significantly the time taken to get rock from the face to the treatment plant.

A major problem faced by users of wheel loaders, however, is high tyre cost. In an effort to overcome this, one of the leading manufacturers of quarry equipment, The Cater

Continued on next page

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## QUARRYING II

# Consideration of the environment

By JAMES MITCHELL

The outcry in certain quarters over the Government's decision to allow Rio Tinto-Zinc to go ahead with limited test boring in Snowdonia National Park has drawn national attention to a type of controversy that is becoming, it was, almost a sign of the times.

On the one hand are ranged the conservationists, many of whom are ready to scream "commercial vandalism" at the sight of a dump truck or mechanical shovel. On the other is the extractive industry, which in the past has rarely been reluctant to rip open this green and pleasant land and which often tends to be over sanguine about the extent of the mineral wealth that may lie concealed beneath any given area.

Somewhere in the middle is to be found the local population, whose views on any project are seldom given a great deal of publicity but who are often just as interested in jobs as in the local environment. This, for example, is thought to be the case with the RTZ proposals in North Wales.

Amid all this, the Department of the Environment or one of its satellite bodies is left to hold the ring.

precise money value on this output, though it must run into the hundreds of millions of pounds.

Moreover, demand for quarry stone is likely to grow steadily year by year into the foreseeable future. In 1968, for example, the quarry industry in the U.S. used or sold no less than 861m. tons of crushed and broken stone; by the year 2000, it is expected that this figure will have risen to at least 2,500m. tons. Much the same rate of increase can be expected in Britain.

### Loss to science

A second consequence of running down the extractive industry in this country would be the loss to science and to geological activities in particular.

"The simple fact is that, without quarries, British geology would be really up against it," stated a member of the Nature Conservancy staff. "Though it is not generally realised, quarrying reveals far more sites of special geological interest than it ever despoils, one example being the Wren's Nest geological trails at Dordley, Staffordshire."

Altogether, the Conservancy is concerned with more than 2,000 Sites of Special Scientific Interest (SSSIs) many of which have been exposed by quarrying operations. Official policy, then, and one with which to-day the industry readily co-operates, is to influence and, where necessary, control the quarrying process and the after-use. This was made clear a few months ago by Mr. Peter Walker, Secretary of State for the Environment, when he presented the Sand and Gravel Association's Brewis Trophy for work of outstanding merit.

Sand and gravel output in Britain, the Minister pointed out, had increased from 50m. tons in 1954 to 100m. tons in 1969 and would probably double again by 1985. Land quarried for this purpose had increased to 4,000 acres with more than 1,000 pits in operation.

"Here," Mr. Walker stressed, "lies a tremendous opportunity

for these crowded islands. We have artificial lakes being created for us because most of the quarrying lies in river valleys — here are man-made lagoons for water sport. Indeed, in England alone, the industry has probably supplied more inland water than Nature has managed herself. This is a fine legacy... but we can no longer afford the luxury of waiting for Nature to carry out its own reclamation. An increasing population and the growing demand for land—to say nothing of aesthetic considerations—make it imperative that all extraction operations nowadays are conducted in such a way that the land afterwards becomes an immediate asset."

These sentiments have been echoed in a practical manner by industry itself. Conservationists of every kind should welcome the news announced recently that Rio Tinto-Zinc and six other leading natural resource companies are to form an independent commission to study and make recommendations on environmental problems created by the extractive industry.

### Many schemes

Meanwhile, much has already been done both by the industry and local authorities to make constructive after-use of quarries. The various schemes are in fact too numerous to mention here, but they include housing schemes, industrial, and sporting developments, and, quite commonly, landscaped water parks. One, being developed on some 900 acres of lake created by gravel extraction, is Cotswold Water Park lying about half-way between Cirencester and Swindon. This may eventually extend to some 3,500 acres. It is also worth mentioning that both the Natural History Museum and Chelsea F.C.'s Stamford Bridge stadium stand on the sites of former gravel pits.

For sheer enterprise, however, a current project being undertaken at Llechwedd slate mine at Blaenau Ffestiniog is hard to match. Here, at the world's largest slate mine, the owners, J. W. Greaves and Sons, have formed a new company, Quarry Tours Ltd., with a view to open-

ing part of the workings to tourists. The attractions will range from trips in special battery trucks through caverns and tunnels (with Wagnerian music as an accompaniment) to a craft shop, cafe and eventually a museum.

### Reclaiming land

Another highly imaginative scheme but of a different order involves the co-operation of the Central Electricity Generating Board with the London Brick Company. Briefly, special liner trains are used to transport fly ash dust from the power stations in Nottinghamshire to the company's pits in the Peterborough area. As much as 6,000 tons a day is brought in this manner, mixed with water and pumped into worked out sections of the pits complex. The water is then decanted and used again.

"This is a 30-years' project," explained E. H. Burton, a director and estates manager of London Brick, "aimed at reclaiming as much as 3,500 acres of old pits. After these have been filled with ash, soil from a local sugar beet factory at Fletton will be spread on top, after which the land can be used for agriculture, tree planting or whatever purpose is thought best. Of course, under this scheme, the CEBG will fill up holes which haven't yet been dug."

Also in the Peterborough area, London Brick have built a new works in one of its old pits instead of filling it in. The pit in question, which is 70 feet deep, conceals everything of the works but the tips of the chimneys. Here, some 2,000,000 bricks are produced every week. Examples of this kind underline how much more conscious both Government and the extractive industry are to-day of the needs of the environment. Moreover, the whole process of reclamation and use is being accelerated by advances in technology. But the important thing is that there is now a substantial measure of experience and good will on both sides.

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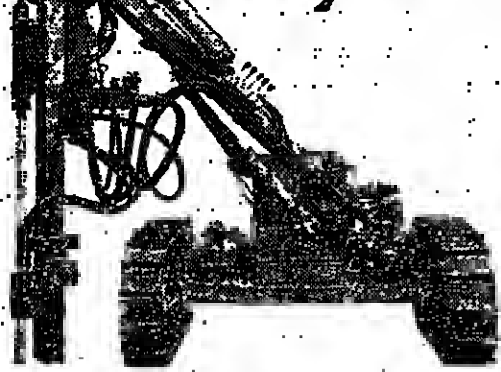
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## Efficiency — (Cont'd.)

Continued from previous page

pillar Tractor Co. Ltd., has just brought out a special rubber cushion track for its wheel loaders under the trademark, Dystred.

"This incorporates the wear and traction features of tracks and at the same time offers the versatility of the rubber tyre," claimed a company executive. "It is designed for our large wheel loaders operating in severe conditions and fits round the tyre like a glove. Tests have shown that it should lead to considerable savings in tyre wear and tear compared with conventional rock tyres or tyres with chains."

Competition among dump truck manufacturers is of course intense, each claiming special virtues such as strength, capacity, manoeuvrability and so on, or a combination of all three, together often with price advantages. The Chief Inspector of Mines and Quarries is himself not quite as enthusiastic. Whilst acknowledging the gain in mobility from the latest earth-moving machines, in a recent annual report he also drew attention to the need to improve standards of maintenance for brakes and steering mechanisms on dump trucks, particularly on the larger models.

### Dump trucks

Meanwhile, two significant developments in the dump truck field consist of a new on-off highway tipper by Foden, and of the recent arrival in South Wales of six 100-ton dump trucks from the Canadian factory of the Unit Rig Company of Tulsa, Oklahoma.

Foden claim that its new tipper is built "to withstand anything that is likely to happen to it on the roughest of sites" while at the same time being the first vehicle of its kind to meet the proposed new highway regulations with a GVW of 24 tons.

"The really important feature about this vehicle," stated E. S. Foden, an executive director of the company, "is the considerable use which can be made of it on the open highway. It was designed with this dual purpose in mind—we were thinking in terms of about 70 per cent. site working and 30 per cent. highway use—and, as such, it is much tougher than the average dump truck. Fully laden, it has a road speed of 35-40 m.p.h. It costs £9,500.

As to the giant dumptrucks from Unit Rig, these had to be shipped in parts and assembled at Barry Docks because of their size. Their total cost, including the wheels and tyres which were made in this country by Dunlop, was £100,000 each, and they form the first part of an order for 11 such vehicles placed by the contractors, Derek Crouch Ltd. They are now operating at a new opencast coal mining site at Llantid.

### Crushing plant

Crushing and grinding equipment is another field in which size plays a vital part. Nordberg of Baling, for example, a division of Rex Chainbelt Inc. of Milwaukee, can boast a gyratory crusher at Merehead Quarry in Somerset which has dealt with 3,000 tons of limestone in a hour at a 7 in. setting. "Our biggest machine," added a company executive, "is made by the parent company and can handle up to 4,685 short tons per hour."

Also in the "big league" is the newest mobile crushing plant made by W. H. Exeter Ltd. of Leeds. This, one of the largest machines of its type ever made in the U.K., is powered by a 130 H.P. Diesel engine and has a total weight of 60 tons. It incorporates a single toggle 40 in. x 32 in. roller bearing crusher with hydraulic, quick-setting jaw adjustment.

Fitness for the job and ease of maintenance and operation are of course even more important than size and speed. Thus, Sheepbridge Equipment Ltd. of Chesterfield are more than pleased with the performance of their new cubic impact breaker in operation at the lime-works of Steetley Manufacturing at Dowlow, Buxton. This machine can reduce run-of-quarry limestone to minus 3 in. aggregate at over 500 tons per hours in one pass.

As with dump trucks and crushers, other types of quarry plant and machinery is becoming more and more sophisticated with each year that passes. This applies both to rock-winning equipment, such as drills, excavators, shovels, tractors, trenchers and the like and to processing plant, including screens, vibrators, belting, graders, pulverisers, polishers, scrubbers and asphalt, bitumen and tarmacadam plants. Dust extraction and collection sys-

tems have likewise improved, often out of all recognition.

The same is true over the past ten years of electronic control systems and automated equipment, particularly in the case of tarmacadam, bitumen and asphalt plants. This applies both to the processing of the stone and dust and mixing it with coating materials. One firm, Arcontrol of Borough Green in Kent, specialises in fact in the provision of electrical control panels for the industry. Yet for all that, and despite the importance of the industry, the computer has yet to make a dramatic impact on its affairs.

Sophisticated equipment, however, places a demand for skill from the worker and management. At the same time heavy, fast and mobile machines create hazards. Together, these factors make training an urgent priority, and the Chief Inspector of Mines and Quarries, for one, labours under no delusion that all is well in this department.

### Accident rate

"The accident rate in quarries," one of his reports stressed, "where 38 persons were killed, and 99 seriously injured compared with 23 and 90 respectively in 1967, gives cause for concern. It approaches the rate for coal mines where the environment is much more hazardous, and it is evident that lack of adequate training is a contributory cause. Many accidents also result from failure in communication due to lack of clear instructions on sound training and on the principles of good practice."

Some of the Inspectors' strictures for the year 1968 were covered by new regulations for quarry vehicles introduced in 1970. However, in the final analysis, any real improvement in the safety record can be achieved only through a change in human attitudes. As any accident prevention officer will confirm, better figures require—like the preservation of freedom—unrelenting vigilance.

But this is not to make light of the technological excellence found in our quarrying industry today. Without it, the industry simply would not be viable in a financial sense, nor would it be able to supply the materials which are going to be so vitally needed if the country is to create the services and environment to cope with the population explosion of the future.

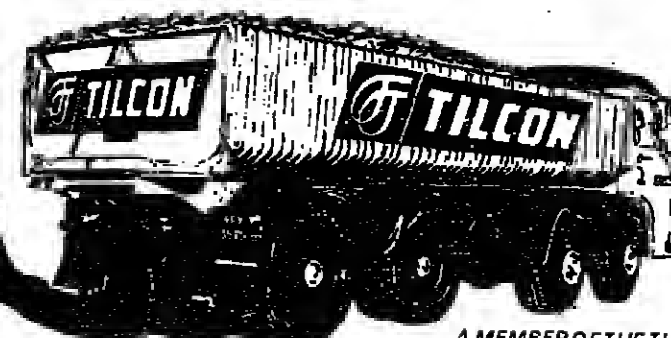
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BY OUR WALL STREET CORRESPONDENT

AN upswing in trading on Wall Street today recouped some of last week's heavy loss, with the popular averages closing somewhat below the best of the session.

The Dow Jones Industrial Average closed up 6.49 at 864.92 (up 8.61 earlier in the session). The S&P 500 rose 1.25 to 28.15, with the average up 38 cents off 30 cents from the day's highest gain of 6.25. The NYSE composite index ended 0.22 but more than a 10-cent drop from its day's high. Advances led declines two to one on a low volume of 11.8m. shares, against 13.97m. at the close of the previous session.

In addition to technical factors, the market received several important psychological boosts from the removal of the threat of a nationwide steel strike, and in the final minutes of the session, passage of the Lockheed loan bill by the Senate.

Analysts spoke with caution about the market outlook for the rest of the week. One analyst noted that Senate passage of the Lockheed Bill might be good for "five minute rally" but not for the long term.

Another view of the market as "quite overvalued" and thinks pessimism especially by the Press has been overdone.

As positive factors, he cites the 10 per cent rise in corporate profits in the June quarter, growing income from foreign investments, mounting pressure for tax cuts, and a Clark report that the level of inflation is waning.

Lockheed, the second most active issue, was halted shortly after the Senate vote at 11:50 a.m. on the day's high, below day's high.

McConnell Douglas, whose DC-10 airbus now has warranted competition from the Lockheed TriStar, slipped 8 1/2.

International Telephone and Telegraph, the volume leader, fell 7 1/2 to 53 1/2.

Among steels, U.S. Steel gained \$1 to \$20 1/2, Bethlehem \$1 to \$20 1/2, Republic \$1 1/2 to \$24 1/2. A price boost announced by U.S. Steel helped the group.

1st rails, Seaboard Line advanced \$1 to \$35 1/2, Burlington Northern \$1 to \$40 1/2, Northwest Industries \$1 to \$27 1/2.

Computer issues also finished generally higher. Honeywell announced a price increase and gained \$1 to \$95 1/2, IBM gained \$1 to \$209 1/2, Control Data \$1 to \$31 1/2, and Burroughs closed \$1 up at \$117 1/2.

On the active list, Federal Pacific Electric added \$1 to \$20 1/2, U.S. Smelting and Refining said it had made an offer to acquire 80,000 shares of FPC at \$21 per share.

Occidental Petroleum tacked on \$1 to \$17 1/2, Amerasia slipped \$1 to \$6 1/2, General Electric added \$1 to \$34 1/2.

Prices on the American Stock Exchange were in moderate trading. The index closed ahead 0.11 and advanced declines by five to three. Volume was 3.16m. shares.

Volume leader, Loews WTS, finished 1/2 up at \$10 1/2.

BRUSSELS—Higher on balance. Sofina, Electrolite, Geveert, Traccon and Electrolite, Hoboken and Vieille Montagne firmed among leading issues, although Ste. Generale, Union Miniere, and Kalunga eased slightly.

Petróleo was also lower, despite higher half-year profits. Golds were slightly easier on profit-taking. Hoguven was lower in a steady Dutch section, while among other foreign stocks, ICI weakened and Imperial Oil firmed. Germans were little changed.

AMSTERDAM—Internationals eased in quiet dealings. Local Industrials were quiet and narrowly mixed. Most Plantations and Insurance declined.

Investment Funds retreated, while Shipings tended to be mixed. In the foreign section, Deutsche Bank, State Loans were steady.

PARIS—Quiet with prices moving irregularly, although gains outnumbered losses. Last week's hints by Finance Minister Valéry Giscard d'Estaing that exchange controls were being reviewed were counter-balanced

by the announcement of higher minimum reserve requirements for commercial banks. Banks and Financials generally gained ground. Stores and Electricals were very quiet, while Francaise des Petroles declined on profit-taking, as did Norsk Hydro.

In Chemicals, Roussel Uclaf moved ahead against the trend. Internationals also eased marginally in line with Friday's Wall Street close.

SWITZERLAND—Generally maintained in listless trading. Among Banks and Financials, small gains predominated, but Insurance and slightly mixed.

In otherwise neglected Chemicals, Sandoz improved, Alcon, BCB and Sulzer were traded around last week's closing prices. State Bonds were mainly steady.

In the foreign section, Deutsche Bank, State Loans were steady. Stocks closed mainly weaker in moderately active dealings, led by Control Data and IBM. Dutch shares were barely steady, while German stocks were well maintained.

MILAN—Irregularly lower in very quiet trading. Fiat, Montedison and other industrial leaders

Adequate credit

Bank Rate 6% (April 1, 1971)

Discount houses balanced their books without official intervention yesterday. Revenue transfers to the Eschequer and a net Treasury bill take-up were against the market's favour, but foreign ex-

change and gilt-edged settlements were offsetting factors. A rate of 5 1/2 per cent for day-to-day loans in the earlier part, but by mid-day money had begun to tighten, and balances were eventually taken at levels down to 4 1/2 per cent.

Table with 10 columns: Sterling, Local, Local, Local, Local, Local, Local, Local, Local, Local. Rows include Overnight, 1-month, 3-month, 6-month, 12-month, and various other financial instruments.

In the inter-bank market, money was offered around 5 1/2 per cent, and by lunch-time, levels between 4 1/2 and 5 1/2 per cent were reached in later stages. Rates in the table below are some cases notable.

Local authorities' funds' notes, others 7 1/2 per cent. Longer term mortgage rates: three-year 7 1/2 per cent, four-year 8 1/2 per cent, five-year 9 1/2 per cent. Rates given are for buying. Selling rates for Treasury bills 10 1/2 per cent for two-month, and 10 3/4 per cent for three-month; selling rates for bank bills about 5 1/2 per cent for two-month, and 5 3/4 per cent for three-month.

Finance House Base Rate published by the Finance Houses Association at 6 per cent from August 2.

EXCHANGES AND BULLION

Sterling fell 1/2 cent on balance against the U.S. dollar to \$2.41. Conditions were fairly quiet, but there was a further strengthening of demand for short-term Euro-

change. The one kilogramme gained 11 cents an ounce \$42.25. A report on silver demand, under a new arrangement, in the commodity report on Page 4.

Gold was fixed at \$42.47 (117.58) an ounce in London in the morning, and at \$42.33 (117.54) in the afternoon. Conditions were less active than have been usual recently, and there was some profit-taking in moderate business. The closing quotation was \$42.33-33 1/2, for a net loss of 10 cents. Swiss sovereigns eased 5 cents to \$10.50-50. Double eagles were unchanged, as were single eagles and 20-mark pieces, but half eagles fell \$1 to \$21.15-15. In Zurich, gold ended at \$42.33-33 1/2, down 10 cents on the day. In Paris, the 12 1/2 kilogramme gold bar was fixed at \$42.21 an ounce, up 2 cents, but was fixed in the afternoon without further

change. The one kilogramme gained 11 cents an ounce \$42.25. A report on silver demand, under a new arrangement, in the commodity report on Page 4.

FOREIGN EXCHANGES

Table with 4 columns: Bank, Rate, Day's Spread, Ctr. Rows include New York, London, Amsterdam, Frankfurt, etc.

OTHER MARKET RATES

Table with 4 columns: Bank, Rate, Day's Spread, Ctr. Rows include Australia, New Zealand, Argentina, etc.

EXCHANGE CROSS-RATES

Table with 4 columns: Bank, Rate, Day's Spread, Ctr. Rows include Frankfurt, London, Amsterdam, etc.

EURO-CURRENCY INTEREST RATES

Table with 4 columns: Bank, Rate, Day's Spread, Ctr. Rows include Short-term, 1-month, 3-month, etc.

EURO-CURRENCY INTEREST RATES

Table with 4 columns: Bank, Rate, Day's Spread, Ctr. Rows include Short-term, 1-month, 3-month, etc.

FORWARD RATES

Table with 4 columns: Bank, Rate, Day's Spread, Ctr. Rows include New York, London, Amsterdam, etc.

OVERSEAS SHARE INFORMATION

NEW YORK

Table with 4 columns: Stock, Price, Change, Volume. Rows include Railroads, Industrials, etc.

Investment & Premium

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various international stocks.

PARIS

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various French stocks.

MILAN

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various Italian stocks.

INDUSTRIALS, ETC.

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various industrial stocks.

TORONTO

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various Canadian stocks.

AMSTERDAM

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various Dutch stocks.

BRUSSELS

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various Belgian stocks.

RAILROADS

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various railroad stocks.

PUBLIC UTILITIES

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various utility stocks.

OSLO

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various Norwegian stocks.

STOCKHOLM

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various Swedish stocks.

COPIENHAGEN

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various Danish stocks.

TRUSTS, BANKS & BONDS

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various trust, bank, and bond stocks.

VIENNA

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various Austrian stocks.

JOHANNESBURG

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various South African stocks.

INDUSTRIALS

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various industrial stocks.

MINES

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various mining stocks.

INDUSTRIALS

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various industrial stocks.

INDUSTRIALS

Table with 4 columns: Stock, Price, Change, Volume. Rows include Various industrial stocks.











# F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS		Monday, August 2, 1971		Friday July 30		Thursday July 29		Wednesday July 28		Tuesday July 27		Monday July 26		Year ago (approx)		Rights and Loans Index	
GROUPS & SUB-SECTIONS		Index No.	Day's Change	Index No.	Day's Change	Index No.	Day's Change	Index No.	Day's Change	Index No.	Day's Change	Index No.	Day's Change	Index No.	Day's Change	High	Low
CAPITAL GOODS GROUP (184)		154.91	-0.6	154.91	-0.6	154.91	-0.6	154.91	-0.6	154.91	-0.6	154.91	-0.6	154.91	-0.6	154.91	154.91
Aircraft and Components (3)		108.92	-0.5	108.92	-0.5	108.92	-0.5	108.92	-0.5	108.92	-0.5	108.92	-0.5	108.92	-0.5	108.92	108.92
Building Materials (29)		133.55	-1.2	133.55	-1.2	133.55	-1.2	133.55	-1.2	133.55	-1.2	133.55	-1.2	133.55	-1.2	133.55	133.55
Contracting and Construction (19)		130.25	-1.3	130.25	-1.3	130.25	-1.3	130.25	-1.3	130.25	-1.3	130.25	-1.3	130.25	-1.3	130.25	130.25
Electrics (ex. Electr. Rtd. & TV) (13)		272.76	-0.4	272.76	-0.4	272.76	-0.4	272.76	-0.4	272.76	-0.4	272.76	-0.4	272.76	-0.4	272.76	272.76
Engineering (80)		146.87	-0.7	146.87	-0.7	146.87	-0.7	146.87	-0.7	146.87	-0.7	146.87	-0.7	146.87	-0.7	146.87	146.87
Machine Tools (15)		65.25	-0.9	65.25	-0.9	65.25	-0.9	65.25	-0.9	65.25	-0.9	65.25	-0.9	65.25	-0.9	65.25	65.25
Miscellaneous (25)		132.10	-0.9	132.10	-0.9	132.10	-0.9	132.10	-0.9	132.10	-0.9	132.10	-0.9	132.10	-0.9	132.10	132.10
CONSUMER GOODS (DURABLE) GROUP (56)		168.24	-0.6	168.24	-0.6	168.24	-0.6	168.24	-0.6	168.24	-0.6	168.24	-0.6	168.24	-0.6	168.24	168.24
Electronics, Radios and TV (14)		176.78	-1.1	176.78	-1.1	176.78	-1.1	176.78	-1.1	176.78	-1.1	176.78	-1.1	176.78	-1.1	176.78	176.78
Household Goods (15)		168.03	-0.4	168.03	-0.4	168.03	-0.4	168.03	-0.4	168.03	-0.4	168.03	-0.4	168.03	-0.4	168.03	168.03
Motors and Distributors (27)		116.95	-0.1	116.95	-0.1	116.95	-0.1	116.95	-0.1	116.95	-0.1	116.95	-0.1	116.95	-0.1	116.95	116.95
CONSUMER GOODS (NON-DURABLE) GROUP (175)		188.72	-1.2	188.72	-1.2	188.72	-1.2	188.72	-1.2	188.72	-1.2	188.72	-1.2	188.72	-1.2	188.72	188.72
Beverages (21)		182.40	-0.1	182.40	-0.1	182.40	-0.1	182.40	-0.1	182.40	-0.1	182.40	-0.1	182.40	-0.1	182.40	182.40
Wines and Spirits (7)		171.59	+0.4	171.59	+0.4	171.59	+0.4	171.59	+0.4	171.59	+0.4	171.59	+0.4	171.59	+0.4	171.59	171.59
Entertainment and Catering (15)		199.22	-1.6	199.22	-1.6	199.22	-1.6	199.22	-1.6	199.22	-1.6	199.22	-1.6	199.22	-1.6	199.22	199.22
Food Manufacturing (24)		138.95	-0.9	138.95	-0.9	138.95	-0.9	138.95	-0.9	138.95	-0.9	138.95	-0.9	138.95	-0.9	138.95	138.95
Food Retailing (17)		137.59	-0.1	137.59	-0.1	137.59	-0.1	137.59	-0.1	137.59	-0.1	137.59	-0.1	137.59	-0.1	137.59	137.59
Newspapers and Publishing (15)		140.26	-0.6	140.26	-0.6	140.26	-0.6	140.26	-0.6	140.26	-0.6	140.26	-0.6	140.26	-0.6	140.26	140.26
Packaging and Paper (16)		114.30	-1.4	114.30	-1.4	114.30	-1.4	114.30	-1.4	114.30	-1.4	114.30	-1.4	114.30	-1.4	114.30	114.30
Stores (30)		158.69	-2.3	158.69	-2.3	158.69	-2.3	158.69	-2.3	158.69	-2.3	158.69	-2.3	158.69	-2.3	158.69	158.69
Textiles (21)		175.62	-1.1	175.62	-1.1	175.62	-1.1	175.62	-1.1	175.62	-1.1	175.62	-1.1	175.62	-1.1	175.62	175.62
Tobacco (3)		240.29	-1.7	240.29	-1.7	240.29	-1.7	240.29	-1.7	240.29	-1.7	240.29	-1.7	240.29	-1.7	240.29	240.29
Toys and Games (6)		47.10	-3.7	47.10	-3.7	47.10	-3.7	47.10	-3.7	47.10	-3.7	47.10	-3.7	47.10	-3.7	47.10	47.10
OTHER GROUPS		185.86	-1.4	185.86	-1.4	185.86	-1.4	185.86	-1.4	185.86	-1.4	185.86	-1.4	185.86	-1.4	185.86	185.86
Chemicals (19)		185.86	-1.4	185.86	-1.4	185.86	-1.4	185.86	-1.4	185.86	-1.4	185.86	-1.4	185.86	-1.4	185.86	185.86
Office Equipment (10)		193.28	-1.1	193.28	-1.1	193.28	-1.1	193.28	-1.1	193.28	-1.1	193.28	-1.1	193.28	-1.1	193.28	193.28
Shipping (10)		131.83	-0.4	131.83	-0.4	131.83	-0.4	131.83	-0.4	131.83	-0.4	131.83	-0.4	131.83	-0.4	131.83	131.83
Miscellaneous (unclassified) (44)		184.02	-1.4	184.02	-1.4	184.02	-1.4	184.02	-1.4	184.02	-1.4	184.02	-1.4	184.02	-1.4	184.02	184.02
INDUSTRIAL GROUP (498 SHARES)		166.08	-1.0	166.08	-1.0	166.08	-1.0	166.08	-1.0	166.08	-1.0	166.08	-1.0	166.08	-1.0	166.08	166.08
OIL (2)		354.56	-6.7	354.56	-6.7	354.56	-6.7	354.56	-6.7	354.56	-6.7	354.56	-6.7	354.56	-6.7	354.56	354.56
500 SHARE INDEX		182.00	-1.0	182.00	-1.0	182.00	-1.0	182.00	-1.0	182.00	-1.0	182.00	-1.0	182.00	-1.0	182.00	182.00
FINANCIAL GROUP (121)		169.29	-0.2	169.29	-0.2	169.29	-0.2	169.29	-0.2	169.29	-0.2	169.29	-0.2	169.29	-0.2	169.29	169.29
Banks (6)		129.00	-0.4	129.00	-0.4	129.00	-0.4	129.00	-0.4	129.00	-0.4	129.00	-0.4	129.00	-0.4	129.00	129.00
Discount Houses (6)		173.28	-0.4	173.28	-0.4	173.28	-0.4	173.28	-0.4	173.28	-0.4	173.28	-0.4	173.28	-0.4	173.28	173.28
Hire Purchase (5)		250.60	-0.2	250.60	-0.2	250.60	-0.2	250.60	-0.2	250.60	-0.2	250.60	-0.2	250.60	-0.2	250.60	250.60
Insurance (Life) (9)		148.77	-0.3	148.77	-0.3	148.77	-0.3	148.77	-0.3	148.77	-0.3	148.77	-0.3	148.77	-0.3	148.77	148.77
Insurance (Composite) (9)		132.12	-0.1	132.12	-0.1	132.12	-0.1	132.12	-0.1	132.12	-0.1	132.12	-0.1	132.12	-0.1	132.12	132.12
Insurance (Brokers) (10)		176.37	-0.5	176.37	-0.5	176.37	-0.5	176.37	-0.5	176.37	-0.5	176.37	-0.5	176.37	-0.5	176.37	176.37
Investment Trusts (20)		191.32	-0.3	191.32	-0.3	191.32	-0.3	191.32	-0.3	191.32	-0.3	191.32	-0.3	191.32	-0.3	191.32	191.32
Merchant Banks, Issuing Houses (15)		167.58	-1.1	167.58	-1.1	167.58	-1.1	167.58	-1.1	167.58	-1.1	167.58	-1.1	167.58	-1.1	167.58	167.58
Property (31)		208.63	-0.3	208.63	-0.3	208.63	-0.3	208.63	-0.3	208.63	-0.3	208.63	-0.3	208.63	-0.3	208.63	208.63
Miscellaneous (9)		176.92	-0.5	176.92	-0.5	176.92	-0.5	176.92	-0.5	176.92	-0.5	176.92	-0.5	176.92	-0.5	176.92	176.92
ALL-SHARE INDEX (621 SHARES)		172.74	-0.2	172.74	-0.2	172.74	-0.2	172.74	-0.2	172.74	-0.2	172.74	-0.2	172.74	-0.2	172.74	172.74
COMMUNITY SHARE GROUPS (Not included in the 500 or All-Share indices)																	
Rubbers (10)		203.23	+0.3	203.23	+0.3	203.23	+0.3	203.23	+0.3	203.23	+0.3	203.23	+0.3	203.23	+0.3	203.23	203.23
Teas (10)		88.12	+0.2	88.12	+0.2	88.12	+0.2	88.12	+0.2	88.12	+0.2	88.12	+0.2	88.12	+0.2	88.12	88.12
Coppers (4)		392.64	-0.2	392.64	-0.2	392.64	-0.2	392.64	-0.2	392.64	-0.2	392.64	-0.2	392.64	-0.2	392.64	392.64
Mining Finance (11)		103.58	-0.2	103.58	-0.2	103.58	-0.2	103.58	-0.2	103.58	-0.2	103.58	-0.2	103.58	-0.2	103.58	103.58
Tins (8)		72.18	-1.0	72.18	-1.0	72.18	-1.0	72.18	-1.0	72.18	-1.0	72.18	-1.0	72.18	-1.0	72.18	72.18
FIXED INTEREST																	
Consols 2 1/2% yield			9.32		9.32		9.32		9.32		9.32		9.32		9.32		
20-yr. Govt. Stocks (6)			78.05		78.05		78.05		78.05		78.05		78.05		78.05		
20-yr. Red. Debentures & Loans (15)			72.08		72.08		72.08		72.08		72.08		72.08		72.08		
Investment Trusts Prefs. (15)			69.10		69.10		69.10		69.10		69.10		69.10		69.10		
Commercial and Indust. Prefs. (20)			74.32		74.32		74.32		74.32		74.32		74.32		74.32		

## Building imports survey planned

BY MICHAEL CASSELL

A GOVERNMENT survey to determine the demand for building materials and to examine possible ways of reducing them in future has been commissioned by Mr. Julian Amery, Minister for Housing and Construction.

The Department of the Environment has regularly underlined the excellent growth of exports in this field, which Mr. Amery has ranked in importance alongside the motor industry exports. But yesterday it admitted that the amount of information available on imports was far from adequate.

The survey will attempt to improve the statistics on material and component imports into Britain. A Department spokesman said last night: "This is an area of the building industry which is statistically deficient. Only very crude estimates exist of the total value and sources of origin of materials and components imported. The totals themselves may be severe underestimates of the import content of the U.K.'s building and construction programme."

The quality of official figures outlining the import pattern was provided as far back as 1963, although a review of the situation between 1963 and 1968 is expected to provide results soon.

The results of this review are not expected to show any major changes in the proportion of foreign materials coming into the country.

### Deficiencies

The Department spokesman added: "We will be examining the economic, design and motivational factors for each major group and sub-group which comprise total imports building items will be followed by an examination of those which appear important sources of supply for the balance of payments by indicating whether deficiencies exist in the product ranges of our home manufacturers, or what price, need or quality factors need attention to match foreign competition."

Co-operation from any part of the industry with special facilities has been called for by the Department and potential participants have been assured that any figures received will be treated confidentially.

## Approach to Heath on N-W unemployment

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

THE North-West Industrial Development Association yesterday released the text of a memorandum submitted to the Prime Minister on the unemployment situation in the North-West and major problems affecting industrial development and the environment.

The Association is waiting to hear whether Mr. Heath is prepared to receive a delegation to discuss the issues causing concern to the area.

In its memorandum the Association points out that the North-West, with a population of nearly 7m, is a particularly sensitive region politically, and that there is a strong feeling that it is being unfairly treated in relation to other parts of the country.

Between June, 1970, and June this year unemployment rose by 42 per cent, more than in any other region in England except East Anglia. If a longer period, from June, 1966 to June, 1971, is taken a similar picture emerges, it says.

The Association emphasises that the effects of several closures and labour retraining have still to be felt and it complains that lack of adequate employment opportunities is causing great concern.

The position of younger people is "particularly alarming," it says. One of the most disturbing aspects of the present situation is the low level of public investment in the North-West. Between 1965-70 this amounted to only £158 per head of population in the region, compared with a national average of £159 per head and a figure of £250 per head for Scotland.

## Option Report and three-month "Call" rates

OPTION DEALING DATES

First Last	First Last	First Last	First Last
July 20	Aug. 2	Oct. 14	Oct. 26
Aug. 3	Sept. 5	Oct. 23	Nov. 9
Aug. 17	Sept. 19	Nov. 11	Nov. 23

A quieter day's trading was seen yesterday in the Option market. "Calls" were arranged in Aberdeen, Scotia Investments, CCI, and Walsley-Hughes. Kent Castings, Redland, Triumph Investment, Sterling Guarantee, and Walsley-Hughes.



BRITISH FUNDS									
1971	Stock	High	Low	Close	Change	1971	Stock	High	Low
Shorts (Lives up to Five Years)									
1001	1001	1001	1001	1001	1001	1001	1001	1001	1001
Five to Fifteen Years									
1011	1011	1011	1011	1011	1011	1011	1011	1011	1011
Over Fifteen Years									
1021	1021	1021	1021	1021	1021	1021	1021	1021	1021
INTERNATIONAL BANK									
1031	1031	1031	1031	1031	1031	1031	1031	1031	1031
CORPORATION BONDS									
1041	1041	1041	1041	1041	1041	1041	1041	1041	1041
COMMONWEALTH AND AFRICAN BONDS									
1051	1051	1051	1051	1051	1051	1051	1051	1051	1051
PUBLIC BONDS AND OTHER LOANS									
1061	1061	1061	1061	1061	1061	1061	1061	1061	1061
FOREIGN BONDS & RATES									
1071	1071	1071	1071	1071	1071	1071	1071	1071	1071
LONDON U.S. DOLLAR AND DM ISSUES									
1081	1081	1081	1081	1081	1081	1081	1081	1081	1081
AMERICANS									
1091	1091	1091	1091	1091	1091	1091	1091	1091	1091
CANADIANS									
1101	1101	1101	1101	1101	1101	1101	1101	1101	1101
BUILDING INDUSTRY—Continued									
1111	1111	1111	1111	1111	1111	1111	1111	1111	1111
DRAPERY AND STORES—Continued									
1121	1121	1121	1121	1121	1121	1121	1121	1121	1121
ELECTRICAL AND RADIO									
1131	1131	1131	1131	1131	1131	1131	1131	1131	1131
CHEMICALS, PLASTICS, ETC.									
1141	1141	1141	1141	1141	1141	1141	1141	1141	1141
CINEMA, THEATRES AND TV									
1151	1151	1151	1151	1151	1151	1151	1151	1151	1151
DRAPERY AND STORES									
1161	1161	1161	1161	1161	1161	1161	1161	1161	1161
ENGINEERING AND METAL									
1171	1171	1171	1171	1171	1171	1171	1171	1171	1171
FOOD, GROCERIES, ETC.									
1181	1181	1181	1181	1181	1181	1181	1181	1181	1181
HOTELS AND CATERERS									
1191	1191	1191	1191	1191	1191	1191	1191	1191	1191
INDUSTRIALS (Miscellaneous)									
1201	1201	1201	1201	1201	1201	1201	1201	1201	1201



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INDUSTRIAL (Miscellaneous) - Continued

Stock	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589	588	587	586	585	584	583	582	581	580	579	578	577	576	575	574	573	572	5
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